Daily Report

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CSCE Commissioner Visits, Meets Meksi

AU2506191594 Tirana TVSH Television Network in Albanian 1800 GMT 24 Jun 94

[Text] Prime Minister Aleksander Meksi, in a special meeting this afternoon, received Mr. Van der Stoel, CSCE high commissioner for national minorities, who is visiting our country.

During the conversation, which was held in a friendly atmosphere, Meksi thanked Van der Stoel for his continuous commitment to Albania and for the objective reports he has presented. Meksi went on to brief the CSCE official on the situation of the Greek minority, the advanced standards of freedoms and rights guaranteed to them, and the activity of state institutions, which aim for continual perfection. He particularly informed Van der Stoel about the equal treatment granted to minority members in all fields and commented on the special measures that the government has taken to develop their identity in the fields of education, culture, religion, and others.

Dwelling on the problem of minorities in a broader framework, Meksi stressed that, in our endeavors, we often run across problems that arise due to the illegal and anticonstitutional activity of certain minority people instigated by Greek ultranationalist circles.

Meksi stressed the importance of Tirana-Athens bilateral relations for the climate in the Balkans and the political atmosphere in our region. We are for maintaining friendly relations with Greece, but always by respecting the fundamental principles of international relations and the reciprocal interests of other countries.

The CSCE high commissioner assessed positively Albania's readiness to receive him and create the necessary conditions for his mission. After each visit, he stressed, I see positive changes in the Greek minority's position. The most positive feature is the harmonic, interethnic coexistence between the Albanians and the Greeks, and that is why I value your policy for preserving and further consolidating it.

Meksi and Van der Stoel then viewed special aspects of the minority's position in the fields of education, exercise of religion, etc. The situation in the region and Albanian-Greek bilateral relations were other topics on which they exchanged opinions.

Meets With Arrested Ethnic Greeks

AU2506191694 Tirana TVSH Television Network in Albanian 1635 GMT 25 Jun 94

[Text] Continuing his visit to Albania, Van der Stoel, CSCE high commissioner for national minorities, upon his request and with permission from the procurator general of the Republic of Albania, met this morning with the five Albanian nationals of Greek origin that were arrested for anticonstitutional activity.

Before his departure from Albania, Van der Stoel gave a short interview to correspondent Shpetim Roqi. Asked what opinion he formulated from the meeting with the arrested, he answered: This morning I met five of the six arrested, as one of them is further along in his defense. I am very pleased that I, along with my adviser and an interpreter, was given the opportunity to meet with them alone and not in the presence of the Albanian authorities.

Asked what he gathered from the conversation with the five arrested regarding their treatment, Van der Stoel answered: Of course, we should wait for the trial. The defendants told me that they were given the right to defense attorneys and that they have already met with them. Regarding whether they are guilty or innocent, that is for justice to decide. I did not hear any complaints about their treatment.

Asked what influence his visit will have, he said he hoped that his visit will influence the normalizing of Greek-Albanian relations.

Turkish Planes Violate Airspace; Forced To Land

AU2406164394 Sofia Khorizont Radio Network in Bulgarian 1600 GMT 24 Jun 94

[Text] We just received the following announcement from the Press Center of the Ministry of Defense:

On 23 June at 1040 [0740 GMT] the Air Force guard duty units noted a violation of Bulgaria's airspace committed by 21 light transportation aircraft flying from near the village of Radovets in Turkey, in two directions: Burgas and Sofia.

The Air Force guard duty aircraft were immediately placed in a state of readiness, which included the takeoff of fighters. The aircraft that violated Bulgarian airspace were forced to land at the airports of Saratovo and Sofia. A commission appointed by the Air Force commander is investigating the reasons the flight regulations were violated.

BSP's Pirinski Explains Resignation

AU2406182894 Sofia 24 CHASA in Bulgarian 18 Jun 94 p 8

[Interview with Georgi Pirinski, National Assembly deputy for the Bulgarian Socialist Party, by Kameliya Evgenieva; place and date not given]

[Text] [Evgenieva] Mr. Pirinski, this is the second time that you have resigned as deputy chairman of the BSP [Bulgarian Socialist Party] parliamentary group. The first time, the reason was your objection to the choice of Petur Boyadzhiev as prime ministerial candidate. What is the reason this time?

[Pirinski] My different understanding of the line that the BSP should follow in the period following the congress.

[Evgenieva] Was the congress not to your liking?

[Pirinski] Quite the contrary. It gave a true direction for the party's work. The problem is that after the congress a different line was put forward, which gave priority to social demands and problems. This to some extent disengages the BSP in relation to the progress of the reforms.

[Evgenieva] Why did you refuse to join the BSP Executive Bureau?

[Pirinski] I cannot be effective in a bureau with such a membership.

[Evgenieva] Can you be more specific?

[Pirinski] Because of the views of the colleagues who accepted leading positions in the ruling bodies.

[Evgenieva] Such as?

[Pirinski] It is not a matter of any particular person, but of the positions adopted on the main issue that was under discussion in the BSP Supreme Council last year and at the beginning of this. It refers to whether we should commit ourselves to the reforms or adopt a more neutral position regarding the main problem of the market economy, placing more stress on social demands.

Any attempt to look for a personal angle or personal conflicts ignores the essence of the problem. Therefore, I decline to answer your question.

[Evgenieva] I gather that you want to keep names to yourself.

[Pirinski] This is not true.

[Evgenieva] Before the congress your name was often mentioned as the next BSP chairman. Did anyone promise you his support?

[Pirinski] All kinds of lies, speculative assumptions, and insinuations have been made. No one offered me any support. For me, this matter simply did not arise, because in recent months none other than the party chairman [Zhan Videnov] has adopted the line that was and is the right one for the BSP.

The trouble is, however, that at the congress much was said in support of commitment to the reforms, but the actions that followed the congress somehow do not provide convincing evidence of this....

[Evgenieva] How do you explain this?

[Pirinski] Some members of the BSP leadership may not be well enough convinced that the social democratic line is the right one. Perhaps they were afraid of how the congress would react to this policy, and after the congress they may have decided that there is no need to move ahead so fast in this direction.

[Evgenieva] Who is to blame for this?

[Pirinski] I have no explanation.

[Evgenieva] You normally supported Zhan Videnov, but recently, in the debate on whether to support Lyuben Berov, you came out against him.

[Pirinski] The political realities on 26 May made it necessary to support the cabinet. Prime Minister Berov was elected on a program that stated that he would lead the country into the elections. This was the alternative that we also chose. The SDS [Union of Democratic Forces] is attempting to mount an intensive campaign on how the Communists betrayed Berov and cast the country into chaos on the eve of their congress. I think it would have been political blindness to fall into such a trap. Accordingly, there is no reason to think that my disagreement with Zhan Videnov's opinion was an act against him.

[Evgenieva] Why did you decline President Zhelev's invitation to participate in the consultations on privatization?

[Pirinski] Zhelev should have invited Professor Stoilov, because he actively participated in drafting the Law on Amendments and Additions to the Privatization Act. My refusal will give me more opportunity to defend my own views in public.

[Evgenieva] How?

[Pirinski] The OSD [Alliance for Social Democracy] will hold its own conference and will try to show the party and society at large what it thinks is the right policy at the present juncture.

[Evgenieva] Excuse me, but you seem to be fighting for your policies in a very strange way. You refuse to join the leading BSP bodies, and so give up the chance of directly influencing them, but in the meantime you continue to maintain that you will influence the BSP.

[Pirinski] The other day I met a group of serious BSP members who do not support the OSD. They consider that the OSD's viewpoint deserves serious attention. People have expressed disappointment because the OSD is setting up its own clubs instead of joining the party organizations. Therefore, you should not think that because we hold no positions in the leading bodies means that we have no influence on party thinking.

[Evgenieva] What do you think about the influence wielded by Lilov, Lukanov, and Zhan Videnov? Who do you think came out on top at the congress?

[Pirinski] At the congress Zhan Videnov definitely defended his position as leader and convincingly demonstrated that he has authority and support. However, in the 10-day period following the congress, it seems to me that the views of Lilov and those who share his views became firmly established in the Executive Bureau and the commission responsible for finally drafting the program.

[Evgenieva] Do you think that the postponement of the BSP program until September is a setback for Aleksandur Lilov?

[Pirinski] You should ask him this. I think that it was a well founded decision by the BSP. How various people regard it is their problem.

[Evgenieva] What is your comment on Andrey Lukanov's removal from the BSP Supreme Council?

[Pirinski] This is a loss only for the Supreme Council.

SDS To Examine Parliamentary Boycott

AU2706103294 Sofia DEMOKRATSIYA in Bulgarian 23 Jun 94 p 1

[Declaration of the Union of Democratic Forces National Assembly Faction: "This Form of Boycott Helps the Bulgarian Socialist Party"; adopted at 22 June meeting of the Assembly faction]

[Text] On 22 June 1994 the parliamentary faction of the Union of Democratic Forces [SDS] discussed the parliamentary boycott and decided:

1. Article 3 of the Decisions of the Sixth SDS National Conference points out specific extraparliamentary actions, including a parliamentary boycott, which, against the background of the governmental crisis that existed then, were expected to lead to toppling the cabinet and the holding of early parliamentary elections.

2. This decision was not fully implemented. Only the decision on the SDS parliamentary faction walking out of the National Assembly sessions was adopted and implemented.

3. In this manner, the parliamentary boycott, which was not supported by the extraparliamentary actions, did not prompt the fall of the government and the holding of early parliamentary elections.

4. This form of boycott did not block, but rather facilitated the work of the parliamentary majority of the Bulgarian Socialist Party [BSP], which aims at recommunization, and contradicts the interests of the country.

5. The specific form of the boycott that was adopted—selectively participating in or walking out of the National Assembly sessions—jeopardizes the authority of the SDS as a serious political force in and outside the country. The parliamentary faction's work has been disorganized and deactivated. Thus, the manner in which this specific political action is being effected rather serves than hurts the interests of the BSP.

Therefore, for the aforementioned reasons, the SDS parliamentary faction decides as follows:

It insists that the SDS National Coordinating Council analyze the implementation of Article 3 of the Decisions of the Sixth SDS National Conference and the results of the currently implemented form of parliamentary boycott, and express its opinion whether the recommendation of the aforementioned decisions has been implemented, and whether the boycott produced results that prompt early parliamentary elections.

U.S. Foreign Policy Personnel Changes Viewed

AU2406120994 Prague LIDOVE NOVINY in Czech 22 Jun 94 p 6

[Commentary by Peter Dudek: "The Uncertainties of U.S. Foreign Policy"]

[Text] U.S. foreign policy decisions concerning the politically stable European countries (including the Czech Republic) are made at the so-called lower government level. The decisions unfold in the "iron triangle": the Department of Department—special-interest groups—Congress.

Every change of personnel among the leading officials in a U.S. department is, therefore, a change worthy of note. Among the most recent and most surprising changes is the resignation, announced last week, of Assistant Secretary for European Affairs Stephen Oxman.

"The erroneous impression is often formed in Europe that U.S. foreign policy is purely a matter for the president," said Andrew Steigman, a political scientist and veteran of U.S. diplomacy, in Prague yesterday. "Nothing is further from the truth," pointed out the former diplomat.

The news of Oxman's resignation also attracted attention because it was announced at the same time that Jennone Walker, a specialist on Europe, is to leave the National Security Committee in the White House. They will both be replaced by experienced diplomats. Richard Holbrooke, until now ambassador in Germany, is to replace Oxman, and Alexander Vershbow is to go into the White House in place of Walker.

It is of interest to the Czech Republic that Jennone Walker has been offered the post of ambassador to Prague. Walker, whose appointment has still to be confirmed by the Senate, has so far not denied this report. It is supported by at least one Prague diplomatic source. If no problems crop up—and none are envisaged—Walker should take over at the Prague embassy at the beginning of next summer. This will hardly be to the general delight of current Ambassador Adrian Basora.

Why are Oxman and Walker going? According to Washington sources, definitely not because serious professional shortcomings could be attributed to them. The reason is more likely to be an attempt by Secretary of State Warren Christopher and President Clinton's security adviser (that is, the head of the National Security Council), Anthony Lake, to take the edge off the criticism that for an embarrassingly long time and uncomfortably emphatically has been descending on them.

Christopher and Lake are apparently guilty of not having managed to "instill sufficient confidence both at home and abroad." The resignations of Oxman and Walker should presumably act as a palliative for the weak reputation of the government team entrusted with foreign policy.

Of course, in this connection, there is also speculation about whether the changes could go even further. Until now, Stephen Oxman was considered in Washington to be a man in an "unshakable" position because he is a close friend of President Clinton and has been since they were students together, and also of Secretary Christopher, with whom he worked in Jimmy Carter's administration.

If Oxman is resigning now, could Warren Christopher or Anthony Lake be next? This is not out of the question in the case of the somewhat colorless presidential adviser Lake. This probably does not apply in the case of the seasoned Secretary of State Christopher—at least, until the fall congressional elections.

Havel Views Coming Sofia Visit, Relations

AU2406150694 Sofia STANDART NEWS in Bulgarian 20 Jun 94 pp 8-9

[Interview with Czech Republic President Vaclav Havel by Maksim Bekhar in Prague; date not given: "They Told Me in 1968: 'You Must Become President'"]

[Excerpts] [passage omitted] [Bekhar] You will be visiting Sofia for only a few hours. This could be interpreted as underestimating Bulgaria, a country with which the Czech Republic has very close relations.

[Havel] President Zhelev has already visited here, and I visited Sofia in the days of Czechoslovakia. We were not able to accomplish everything we had hoped to, despite the fact that President Zhelev and I have known each other since our days as dissidents. My brief visit is not meant to underestimate Bulgaria—precisely the opposite. Because I will be visiting Romania, a country where I have never been, I said to myself that I cannot be so close to Sofia and not stop over for a while to meet with President Zhelev again. In addition, there is a relatively substantial Czech community in Bulgaria, and a very strong Czech-Slovak club has been active there for many years. I am really very sorry because I always say that I am going to find time for my compatriots in your country, and I never could until now.

[Bekhar] Is this the only thing bringing you to Bulgaria?

[Havel] We are two countries that, willingly or unwillingly, have many common concerns. We did away with communism at about the same time, and now we are struggling with its consequences. You and we alike want to construct a real democracy and join the European structures. Both you and we have no guarantees that one day we will not make any mistakes. Therefore, the more frequently we exchange experiences and talk to each other, the greater our chances will be to eliminate the shadow of communism as soon as possible.

[Bekhar] Experience also used to be exchanged in the past....

[Havel] Oh my God, you know I mean something else. In the past, we had a strange, imposed friendship, in which everything was clear and precise. Afterwards, when CEMA and the Warsaw Pact collapsed like a house of

cards and it became clear that this entire market was an artificial creation, it appeared that we would have to construct something new.

[Bekhar] And what is that?

[Havel] I can tell you in one word: democracy.

[Bekhar] This is clear, but you know that the love for democracy passes through the stomach. Therefore, don't you think we could help each other a lot more if there were a free and custom-free market between Bulgaria and the Czech Republic? There are traditions in this sphere....

[Havel] The Czech Republic, in principle, adheres to the maximal liberalizing of trade. I plan to discuss this subject in Romania, and, obviously, we will talk about this in Bulgaria, but everything requires time. A group of experts is studying whether it is possible to intensify trade between our countries. By the way, the same applies to Hungary, Poland, and Slovakia.

[Bekhar] All this could be a lot simpler if Bulgaria were a member of the Visegrad Four. Will you support Bulgaria's admission into this group?

[Havel] It is not that simple. [passage omitted]

[Bekhar] Then you think that no state has the chance of joining this alliance, regardless of its goals and structure?

[Havel] I think that expanding the group now is pointless. Personally, I support small regional communities. This is the case of the Scandinavian countries, Great Britain, and now the Visegrad Four. However, this does not mean that we consider ourselves superior to the Balkan states. It is just that you are in the south and we are in Central Europe. This hardly gives us any advantage, but it nevertheless remains a historical and geographical fact. The small communities can always react rapidly and practically. In addition, they have common interests and could protect them more successfully.

[Bekhar] Do you think we should create a Balkan federation?

[Havel] God forbid! I do not want to give any advice. At least I have not been authorized to do so. Actually, why should you not create such an entity? A new organization would emerge, and, as was the case was with the Visegrad Four, everyone will want to join. This is, to a certain degree, characteristic of our time. We are all nervous and are watching each other to see that no one gains an advantage over the rest by integrating with someone else. Everyone wants to join every possible organization, which is impossible. You have so many common interests with Greece and Romania. It makes no difference whether it is a postcommunist state or not. Greece is a member of both NATO and the European Union. It could be very useful as a member of a Balkan community or alliance; it makes no difference what it is going to be called. If one day the nightmare in Yugoslavia is over, perhaps some of its former republics will also join. Albania also is doing whatever it can in order to become a democratic state. You and Turkey belong to the Black Sea Cooperation Zone. The Czech Republic is not a member of this organization. It has no business there.... [passage omitted]

[Bekhar] The former communists in Eastern Europe began to return in a rather triumphant manner. This time they are armed with rightist economic programs. Are you not afraid that the same could happen in the Czech Republic?

[Havel] For several reasons, I think it would be impossible. First, Prague used to have the most conservative communists among the Warsaw Pact countries. That regime was so rotten and compromised that I do not envy its heirs. This is why they quarrel so much among themselves. In addition, there is no serious leftist force in the Czech Republic that proposes anything serious. The leftist forces that exist in Slovakia, Poland, and Hungary simply do not exist in the Czech Republic. There is a rather hard-core communist party, whose members are those who do not want to part with the illusions of their life. In addition, there are two smaller communist parties, with which it is possible to conduct a discussion of sorts, but they do not represent any electoral force or threat to anyone. Finally, there is another factor: The most capable and smart communists in the Czech Republic long ago became capitalists and vote for the most rightist parties simply because, for them, capitalism is better than communism.

President Havel on Romania, Bulgaria, Russia

LD2606165794 Prague Radiozurnal Radio Network in Czech 1215 GMT 26 Jun 94

[Interview with President Vaclav Havel by Eva Hulkova at Lany presidential residence, date not given: "Conversations at Lany"—live or recorded]

[Excerpts] [Hulkova] Mr. President, this week you visited Romania and Bulgaria. I would be interested in hearing your view of the prospects in our mutual relations.

[Havel] Romania and Bulgaria are two European states with a rich and interesting history. These two states have the same importance as any other state of that region. In a few years' time, these two states could reach a level comparable to that of Greece or any other state that has not experienced a period of communism. These two states are following a complicated path of tackling the consequences of communism, as are we. In many aspects, we are ahead of them. They are well aware of this and are look upon us with almost uncritical respect. However, at the same time, I think that any belittling attitude towards these countries is misplaced. [passage omitted]

[Hulkova] It is clear that behind any trip of a high official there is a question asked by the citizens of our country: What are we going gain from it? This is what matters. [passage omitted]

[Havel] The Balkans are also part of Europe. I have gradually visited all European countries, or almost all of them. This has been a part of my long-term plan, through which I am realizing the idea of returning to Europe, becoming a part of Europe.

We must not think that Europe is only Brussels. Europe also includes Romania, Europe also includes Bulgaria. We want to have good relations with all European states, both political and economic relations. [passage omitted] Europe does not consist of only the member states of the European Union.

[Hulkova] I think it was after your talks with the Bulgarian president that you spoke in favor of cooperation and closer contacts but not in favor of doing so under an umbrella of institutions because this would simply lead to a further division of Europe rather than its unification. How was this idea received?

[Havel] We agreed on it with President Zhelev. I think this view has begun to prevail in our countries. I have discussed this with many officials from various countries. All of us have begun to feel that turning the alliance and community spirit of the former communist countries into institutions incorporates the danger of some sort of new division. There are people in the West for whom this would make life easier because it is simpler for them to deal with us as if we were some sort of alternative bloc, a counterpart, a partner, as they dealt for decades with the Warsaw Pact or CEMA. This is, of course, simpler than to perceive every single country as an individual country, as a legitimate democratic country that strives to become a legitimate part of the European democratic structures.

This is why I perceive as dangerous all those hints, emerging now and then, coming above all from the West, expressing their preference to see us all in one bag and to deal in a certain manner with that one bag. However, this is not advantageous for us. [passage omitted]

[Hulkova] It is obviously in the greatest interest of the West to have good relations with Russia; therefore, I would like to hear your comment from this point of view on the signing by Russian Foreign Minister Kozyrev of the Partnership for Peace, especially as this has consequences even for us. Can we be less fearful of their enormous armed might and strength?

[Havel] I thought from the beginning and also had discussions to this effect when I met President Clinton here concerning Partnership for Peace, that there must be some kind of partnership-based relations between the North Atlantic alliance and Russia. I felt that there must be good relations, which is in the interest of Europe and the world. That relationship will always be in a certain manner specific because Russia is a large Eurasian nuclear power that is surrounded by its own security system, the Commonwealth of Independent States, and that is in an entirely different position from a small Central European country like ours.

Whether Partnership for Peace should be a starting point for good relations between the alliance and Russia I was not sure. I was more inclined toward the view that it should, that Partnership for Peace was such an open program that made possible so many different means of implementation that it could indeed be the starting point for that necessary good relationship with Russia. Now, of course, it also depends on the content with which it is implemented. I cannot imagine that it could be implemented with the same content as is desired by us for the Partnership for Peace program. For us, it is the first stage toward legitimate, full membership in the alliance. I cannot imagine Russia as part of the North Atlantic alliance. That is an almost nonsensical notion, is it not? However, friendship and good cooperation between the alliance and Russia are unavoidable.

What is most significant about the Russian signing is the fact that it is not linked to any special position in the sense that Russia could advise the alliance as to who it may or may not accept as a member, how it may or may not expand, that it could have some kind of veto, that it could have a privileged position in this respect on account of its being more powerful. I think attempts were presumably made to link the signing of Partnership for Peace to this kind of specific position, and, fortunately, they did not succeed.

[Hulkova] This is exactly what I wanted to ask as regards the right of veto. I would like to know what is, in your view, the meaning of the fact that the alliance has resisted this pressure and that this idea has been put forward by Russia?

[Havel] The fact that it was voiced by Russia probably reflects Russia's internal political situation. Russia is a country going through a shock following the loss of superpower status, following the disintegration of the Soviet Union and the loss of its former satellites. Moreover, this is a country where pushing through economic reforms is incomparably more difficult than in our country. Its citizens are suffering much more. It is a country without great democratic traditions; there are social, national, and other tensions there. The loss of superpower status is, of course, felt painfully there, and this is to a certain extent reflected in certain tones present in their foreign policy, which seems to be attempting to calm society with impressions of some kind of special status.

This is also linked to the traditional Russian distrust of others, above all those to the west of them. They fear the alliance expanding eastward, as though an enemy were approaching. They must understand that the eastward expansion of the alliance means extending the zone of democracy, freedom, peace, and civic principles and that this is nothing to threaten Russia, that, on the contrary, this is something that, by means of radiation, could help Russia. I consider it good that the West has managed to defend this idea that we, the former Soviet satellites, kept repeating—I wrote various articles on this, published in the United States and elsewhere—that it has managed to defend this fundamental position against Russian attempts to win some special status. This is a sign of a certain faithfulness to one's own principles and to the principles on which the community is based.

[Hulkova] With regard to developments on the domestic political scene, undoubtedly the most important and certainly

the most interesting point was the fact that this week the government did not approve Kalvoda's concept of higher territorial and administrative units. What is your view?

[Havel] Because I anticipated this question, I prepared a note. Allow me to read it out to you.

It is obvious that democracy cannot be limited only to the state level and that most of the decisionmaking process should be transferred directly to the citizens.

That is why the reform of state administration and its decentralization will be the paramount task of the government in this sphere in the coming period. These two points are a condition of the success of economic transformation and of the functioning of a free civic society. The government will make sure that regional and local self-administration is implemented in the area it will specify to a greater degree than has been the case so far. The territorial setup of the state will correspond to the basic requirement of democracy, which constitutes the transfer of decisionmaking powers and responsibility as close as possible to the citizen. This territorial setup will be based on self-administered communities, natural regions or possibly historical territorial units equipped with relevant powers and funds, which will lower their dependence on the Republic's budget and will enhance the citizen's coresponsibility for the development of the community in which he lives.

We want our society to be a civic society. We shall be defending its basic principles.

[Hulkova] Excuse me, but the note you referred to is, in fact, the government policy statement.

[Havel] Yes it is, precisely. It is the government policy statement delivered by the government in the parliament two years ago. On the basis of this policy statement, parliament voiced confidence in the government. Two years have gone by and here we are!

The coalition lacks concord on the basic outline of the reform of public administration, which is absolutely essential. I have serious concerns about this. I intend to step up my dealing with this issue, or perhaps get involved in it somehow.

I firmly believe that our ruling coalition will recall its policy statement and that it will quickly unite on the nature of this reform and its timetable.

[Hulkova] If I understand this correctly, you no longer regard this problem as an everyday problem of the coalition.

[Havel] I think that the controversy within the ruling coalition is quite serious. [passage omitted] It is a matter of a consensus within the ruling coalition to arrive at a decision with which all four parties [of the Czech coalition] will eventually agree. Up until now, this has been attained. I firmly believe that a consensus will be attained even in this case. This appears to be the most serious dispute within the coalition.

[Hulkova] You have mentioned your intention of joining the game. Do you regard yourself as a sufficiently strong player?

[Havel] I do not know to what extent I am a strong or a weak player, but what I do know is that the president's duty is to contribute to the country's political stability, to look after the country and possibly even to make sure that the promises given to citizens have been adhered to. [passage omitted]

KSU Elects Chairman, Outlines Program

LD2506181394 Prague Radiozurnal Radio Network in Czech 1600 GMT 25 Jun 94

[Report by editor Tomas Sulak on the second regular congress of the Christian Social Union in Moravia on 25 June—recorded]

[Text] [Sulak] The Christian Social Union [KSU], formed by the opposition to the leadership of the Christian Democratic Union-Czechoslovakia People's Party [KDU-CSL], headed by Josef Lux, held a congress today. The participants are in favor of following the spirit of the prewar Czechoslovak People's Party headed by Jan Sramek.

Milos Hanak, former member of the People's Party and the current chairman of the Vyskov, Moravia District privatization commission, was elected the new chairman of the party. Four new deputy chairmen and a new central committee of the party were also elected. The congress stripped former party Chairman Frantisek Michalek of all party posts.

According to its new chairman, Hanak, the KSU is currently operating within the framework of the so-called Realistic Bloc, considers itself to be a party of the center, and does not consider itself to be a regional party. On the contrary, it will attempt to address citizens of the whole Czech Republic. The party is based on the principle of Christian humanism, which is being perceived as an alternative to both dogmatic collectivism and unrestrained liberalism. It also emphasizes the social aspect of political life, and its political priority is to renew land-based administration [zemske zrizeni] in Moravia.

Poll Reveals ODS Decline in Support Halted

AU2706103094 Prague RUDE PRAVO in Czech 22 Jun 94 p 3

[Article by "(kou)": "The Civic Democratic Party Has Halted the Decline in Support"]

[Text] Prague—The Civic Democratic Party [ODS] fortified its dominant position in the opinion polls in June when it received 31.4 percent of popular support. The ODS's three-month decline has thus been halted (in March 32 percent would have voted for it, 31 percent in April, and 29 percent in May). This was apparent from the results of the opinion poll conducted by the Center for Empirical Research (STEM) in June among 1,500 respondents. The Czech Social Democratic Party [CSSD] came second, with

13.9 percent; the Civic Democratic Alliance [ODA] came third, with 12.9 percent; and the Communist Party of Bohemia and Moravia [KSCM] came fourth, with 6.8 percent.

The Christian Democratic Union-Czechoslovak People's Party [KDU-CSL] (4 percent in May; 6.2 percent in June) and the Association for the Republic-Republican Party of Czechoslovakia [SPR-RSC] (4 percent in May; 5.2 percent in June) would also cross the 5-percent threshold for election to parliament; the governing coalition Christian Democratic Party [KDS], for example, would not.

The three strongest parties of the governing coalition would receive half the votes in total.

It is not obvious from the poll what percentage of the vote the Party of the Democratic Left and the Left Bloc Party would receive. STEM brackets these parties with the KSCM under the name Left Bloc conglomerate [and gives them] 10.9 percent.

According to STEM, 63 percent of the electorate would take part in the elections, 14 percent would not, and 23 percent still do not know. The June party rankings concur with the representative poll conducted by STEM in late May and early June, which involved almost 12,000 respondents (the newly constituted Democratic Union [DEU] would, according to it, receive 0.6 percent).

How People Would Vote (in percent)

	Apr	May	Jun
ODS	31	29	31
CSSD	16	14	14
ODA	13	15	13
KSCM	7	7	7
KDU-CSL	5	4	6
SPR-RSC	4	4	5
Free Democrats	3	3	3
Bohemian-Moravian Center Party	2	2	1
Greens	2	2	1
KDS	1	1	1
DEU		0.5	1
Liberal Social Union	1	1	0.5

Report Outlines First Quarter GDP Figures

AU2406183294 Prague HOSPODARSKE NOVINY in Czech 22 Jun 94 pp 1, 3

[Article by "(fr, ska)": "Gross Domestic Product Rose by 3.5 Percent in the First Quarter"]

[Text] Prague—Prime Minister Vaclav Klaus yesterday told reporters that, according to the year-on-year figures released by the Czech Statistical Office [CSU], the gross domestic product [GDP] in actual prices rose by 3.5 percent in the first quarter of 1994. The prime minister described this figure as a breakthrough. According to him, the other macroeconomic indicators are just as positive.

This result, which defines the CSU's original estimate (growth of 0.5 to 2.0 percent) considerably more precisely, comes from the processing of more complete data, CSU Deputy Chairman Ivan Sujan told HOSPODARSKE NOVINY yesterday. However, the current figures are also preliminary and may be further revised in an upward direction, he emphasized. The reason for this, according to him, is mainly the unfinished processing of the documents containing the customs statistics for exports.

Roughly half the increase can be ascribed to the extraordinary decline in GDP in the first quarter of 1993, with which the first quarter of 1994 is being compared. As a consequence of the anticipation of the new taxation system and the breakup of the federation, retail sales and construction work rose exceptionally in the last quarter of 1992 and, on the other hand, inevitably fell in the first quarter of 1993. The other half of the increase in the first quarter of 1994, however, obviously signals the expected economic recovery and an actual GDP increase at a, for the moment, "filtered" year-on-year rate of 1.5 to 2.0 percent, said the CSU deputy chairman.

All of the elements of aggregate demand contributed to the increase. Households' consumption increased in actual prices by 8 percent and investment by 6.8 percent. The reduced base from the first quarter of 1993 also manifests itself here, however. The increase in domestic demand amounted to 9.2 percent; in foreign demand, the decline in exports (caused chiefly by another reduction in exports to the Slovak Republic) was more than compensated for by the significant increase in the export of services. Aggregate demand rose by 8 percent. Nevertheless, in the Czech Republic, there is still a not quite satisfied "hunger for imports," brought about by their restriction under central planning. A substantial part of the increase in aggregate demand is therefore swallowed up by this increase in imports, and only the smaller portion is left for the GDP increase, says I. Sujan. However, this phenomenon is, according to him, temporary and signals the possibility of a substantial acceleration in the increase in the GDP in coming years.

The share of industry in the formation of the GDP is gradually conforming to the share normal for market economies; it amounted to 42.3 percent in the first quarter of 1994. In 1993, given a decline in industrial output of roughly 5 percent, the GDP, in essence, stagnated. During the first quarter of 1994, the decline in industrial output came to a virtual halt, and, therefore, it is no surprise that the rate of the increase in the GDP is roughly four points higher, says Sujan. Apart from the changes in industry, the rise in the output of services, construction, and trade has also played a role in GDP activity.

The GDP, like the majority of economic indicators, is also influenced by regular seasonal fluctuations. After their influence has been filtered out, the GDP, in the first quarter of

1994, compared with the average for 1993, is 2.3 percent higher and, compared with the average for 1992, is 2 percent higher. The seasonally adjusted GDP in the first quarter of 1994 is, however, still roughly 18 percent lower than the average for 1990. The CSU wonders, however, whether there really has been such a major decline between these years. That is to say, it is necessary to take into consideration the real effect of the so-called gray economy, which official statistics cannot ascertain at the moment. According to some estimates, it generates 10-15 percent of the GDP, and its output since 1990 has increased by up to 50 percent. This would mean an increase in the established GDP level of 5 to 7.5 points. Another problem is that the price increases during transformation are not reflected in simple price increases alone but partly in an improvement in the quality and range of goods. The influence of the statistically unascertained part of this activity may be of the same extent as the gray economy. This would mean, according to Sujan, that the decline in the overall real product since 1990 was, in fact, much less and was in the range of 3 to 8 percent.

The GDP (in billions of korunas [Kc] and in actual prices)

	First Quarter	
Indicator	1993	1994
Household consumption	46.3	50.0
Government consumption	20.9	21.3
Formation of fixed capital	16.1	17.2
Formation of inventories	3.8	6.6
Total domestic demand	87.1	95.1
Exports of goods, services	56.9	60.4
Total aggregate demand	144.0	155.5
Imports of goods, services	50.8	59.0
GDP	93.2	96.5

	Year-on-Year Changes	
Indicator	Kc	Percent
Households' consumption	+ 3.7	+ 8.0
Government consumption	+ 0.4	+ 1.9
Formation of fixed capital	+ 1.1	+ 6.8
Formation of inventories	+ 2.8	Not given
Total domestic demand	+ 8.0	+ 9.2
Exports of goods, services	+ 3.5	+ 6.2
Total aggregate demand	+ 11.5	+ 8.0
Imports of goods, services	+ 8.2	+ 16.1
GDP	+ 3.3	+ 3.5

Social Security Collections Exceed Transfers

94CH0280D Prague HOSPODARSKE NOVINY in Czech 21 Apr 94 pp 1-2

[Article by Jan Rezac: "Last Year Social Security Saved the State Budget 11.4 Billion Korunas"]

[Text] The final state budget report presented by the Ministry of Labor and Social Affairs, which was discussed by the government yesterday, indicates that revenues based on social security premiums and other revenues of the ministry amounted to a total of 106.198 billion korunas [Kc] for 1993. When compared to the adjusted budget at Kc97.151 billion, this amounts to a difference of Kc9.047 billion. In the expenditures column, Kc2.353 billion was shown as savings because the budget anticipated expenditures of Kc121.965 billion and actually expended Kc119.611 billion for social security transfers. The overall positive balance in this chapter of the state budget thus amounts to Kc11.4 billion, according to what Ctirad Ondracka, budget director of the Ministry of Labor and Social Affairs, told HOSPODARSKE NOVINY.

The excess of revenues was mostly due to insurance premiums paid for workers, which accounted for revenues of Kc100.792 billion, which means Kc7.958 billion more than was anticipated by the budget, which had figured on Kc92.835 billion. The reason was a virtual increase of 600,000 workers over what had been anticipated when the budget was being written, as well as a higher aggregate of basic assessments, upon the basis of which insurance premiums are computed. Higher revenues were also the result of insurance premiums paid by self-employed individuals. Arrears in insurance premiums amounted to Kc2.83 billion (2.7 percent) and were caused primarily by the insolvency of payers.

Revenues for old-age pension purposes amounted to Kc80.052 billion; those for hospitalization insurance were Kc13.75 billion, and revenues based on the state employment policy amounted to Kc11.875 billion. Transfers for old-age pensions amounted to Kc72.4 billion, those for health benefits amounted to Kc11.961 billion, and the total paid out in conjunction with employment policy amounted to Kc3.146 billion. Overall expenditures (including administrative costs) were Kc88.647 billion, and overall revenues amounted to Kc106.198 billion. The difference between revenues for insurance and expenditures for pensions, health benefits, and employment policy thus amounts to approximately Kc17.5 billion. In answer to a question by HOSPODARSKE NOVINY as to how this surplus was utilized, Director Ondracka responded that, according to law, the revenues based on insurance premiums are part of the state budget that is used to defray all social transfers, and he said that the law had been adhered to. In terms of expenditures, it is necessary to include the state equalization contribution, which last year amounted to Kc6.1 billion, as well as the state transfers. The Ministry of Labor and Social Affairs last year engaged in a number of social measures that were not covered by the approved budget. According to Ondracka, this means that, were it not for these revenues based on insurance premiums, the Ministry of Labor and Social Affairs would not have been able to fund Kc2.8 billion worth of these measures.

Jindrich Vodicka, minister of labor and social affairs, noted in this connection that, although some components involving the collection of insurance premiums appeared to be a sort of quasi-surplus, the overall balance of revenues based on insurance premiums and all transfers is negative (revenues of Kc106.2 billion, expenditures of Kc119.6 billion).

After including the state equalization contribution in pensions paid out—something that is being readied for this year—there will actually not be any surplus. If, given the current development of unemployment, the contribution for the state employment policy becomes reduced by 1 percentage point, there will most likely even be a mild deficit. These possible adjustments in financing the system of social security are now being discussed with the Ministry of Finance. The government is not considering establishing an independent fund for social security, said J. Vodicka.

Moravcik, Meciar View Political Scene

LD2606160294 Bratislava Rozhlasova Stanica Slovensko Network in Slovak 1500 GMT 26 Jun 94

[Text] The Slovak coalition and opposition dealt with the first hundred days of the government's rule in today's "Kroky" [Steps] TV program. Prime Minister Jozef Moravcik pointed out that the functioning of a parliamentary democracy requires a stable structure of political parties, which is an important prerequisite for political stability. According to him, the coming elections can also play an important role from the point of view of sharpening the profile of the political scene. Jozef Moravcik stated that the Left is forming well and that the Right of the political spectrum is also clear. However, he said that the situation is difficult in the center, where a rather complicated development can yet be expected.

Vladimir Meciar, chairman of the Movement for a Democratic Slovakia, described the coalition government as a broad-based experiment that cannot be maintained over the longer term. He said of Jozef Moravcik's Cabinet that it is heading for economic ruin in going back to a given macroeconomic policy, that it is incompetent in the financial sphere, and that it is coping badly with privatization.

Meciar's Policies Said Still in Effect

94CH0278B Prague LIDOVE NOVINY in Czech 4 May 94 p 4

[Commentary by Karel Kriz: "Socialism Even Without Meciar"]

[Text] Almost one and a half years have gone by since the breakup of the federation, and Slovakia still cannot show a single economic indicator that has improved. Precisely the other way around. The past as well as the present government—after all, they both share credit for the independent state—are thus faced with a basic problem: how to explain to themselves as well as to the nation the escalating bankruptcy. And how to achieve the promised growth.

After the Moravcik government was installed, it may have appeared for a while, especially under the influence of Rudolf Filkus's statement, that the new Cabinet will respond with a solution conforming to market conditions: appreciable devaluation that would slow down imports and at the same time promote export and economic growth. But a different tendency prevailed: Meciar's rate of exchange from the beginning of the year was affirmed in the end, and the Slovak economy is therefore gradually barricading itself from the world. The introduction of quality certificates—meaning, administrative barriers to imports—are merely one of the manifestations of this tendency.

To tell the truth, the communist influx into the economic departments could hardly have led to anything else in Bratislava: Weiss's people took the office of deputy prime minister for economy (B. Schmognerova), as well as the Ministry of Economy (P. Magasi) and the Ministry of Agriculture (P. Koncos). In this configuration, there is nothing left to liberal Filkus but to try and find the money to cover the budget deficits.

No matter how specific the position of the new Slovak Government is, one thing is certain: On the banks of the Danube, they began once again to "manage" the economy; they placed their subjective rationality above the objective rationality of the market. According to this approach, the customs union is good when it suits, and vice versa. In the future, not customers but officials will make decisions about imports: One barrier after another will go up, exactly the way the Slovak producers will pressure their officials to do it—or even pay them for doing it.

But let us leave the consequences of this policy—that is, increasing prices and declining competitiveness—to the Slovaks themselves. The dilemma of our government is this: keep the customs union or rescind it? And, if so, when? The complexity of the answer stems from the fact—and the Slovaks are taking advantage of it—that we will necessarily also pay for the dissolution of the common economic zone, although substantially less than Bratislava itself. The macroeconomic view advises (for the time being) us to grit our teeth. But what will the specific Czech producer say about it, who cannot sell on the Slovak market, while, at the same time, the way in the opposite direction is open?

Making concessions never leads anywhere, it seems to me.

Kukan Assesses Egyptian, Syrian Visit

LD2606193394 Bratislava STV 1 Television Network in Slovak 1730 GMT 26 Jun 94

[Report on an interview with Slovak Foreign Affairs Minister Eduard Kukan by an unidentified correspondent; place and date not given]

[Text] Eduard Kukan said that his official visit to three Arab countries, which to a certain extent followed the January official visit to Israel of Jozef Moravcik, who was then Slovak foreign minister, had two main objectives.

The first was to demonstrate Slovak support for the Middle East peace process, although our country does not overestimate its influence on developments in this region. What was more important was to demonstrate interest in developing mutual relations, which had been stagnating after the demise of Czechoslovakia, as well as a certain enhancement of the economic dimension of our foreign policy.

The Arab world is a prospective trade partner and is very interested in cooperating with our country. This was confirmed, among other things, for example, during the talks our foreign minister had with Egyptian President Mubarak and Syrian President al-Asad.

It should be added in this connection that the Slovak economy has a chance of stepping up cooperation with the Palestinian autonomous regions, which will start building their infrastructure in the near future. Through Egypt or Jordan, our companies might start getting involved even in this direction.

KDH Names Electoral Leaders to 4 Constituencies

AU2706114594 Bratislava NARODNA OBRODA in Slovak 24 Jun 94 p 2

[Unattributed report in the "From Yesterday's Briefings" column: "Christian Democratic Movement—Electoral Leaders: Dzurinda, Pittner, Carnogursky"]

[Text] The Christian Democratic Movement [KDH] leadership has approved the movement's election campaign. In east Slovakia, it will be led by [Minister of Transportation and Communications] Mikulas Dzurinda. Number two will be [KDH Deputy Chairman] Frantisek Miklosko. The number-one candidate in central Slovakia is [Interior Minister] Ladislav Pittner, number two is [Culture Minister] Lubo Roman. Number one in west Slovakia is [KDH Chairman] Jan Carnogursky, number two [Minister of Labor and Social Affairs] Julius Brocka. The election campaign in the Slovak capital, Bratislava, will be led by [Deputy Prime Minister] Ivan Simko.

Hagyari on Prospects of Right-Wing Parties

94CH0289A Bratislava NOVE SLOVO BEZ RESPEKTU in Slovak 23 May 94 pp 8-9

[Interview with Democratic Party Chairman Pavol Hagyari by Anna Lenicka; place and date not given: "I Am No Demigod"]

[Text] Those who do not wish him well are spreading the story that he bought the Democratic Party [DS]. In its headquarters on Sancova Street, he works in an office he inherited. With its customary modern furnishings, it would probably give the impression of being run-of-the-mill and most of all impersonal, if it were not for the small penguin sitting on one of the black cabinets. This creature, which moves so awkwardly on the ground, is exceptionally nimble in water. Will the reinvented DS maneuver as nimbly in the political waters as its mascot?

[Hagyari] I believe so, but our mascot represents, above all, a gentleman. Gentlemen, not boxers, should go into politics. The penguin is a decent, unaggressive creature, capable of overcoming extremely difficult conditions with extreme ease.

[Lenicka] On the same floor, just a few steps from where you are, is the editorial office of the weekly journal MOSTY [Bridges]. Don't you think we are unnecessarily burning those bridges that still connect us with the Czech Republic?

[Hagyari] That is why our foreign policy follows the Czech foreign policy. It is out of the question that we could join West Europe without the Czechs, but the Czechs can join even without us.

[Lenicka] Isn't a tactical election move hiding behind your parcel of concrete initiatives for closer cooperation with that republic?

[Hagyari] Certainly it is a tactical election move. I do not do anything without a reason.

[Lenicka] But the Czech side reacted neurotically not only to your initiatives, but also to the installation of Moravcik's government, being concerned whether, along with it, goes a renewed pro-Czechoslovak sentiment or an attempt to establish a confederation....

[Hagyari] No, I do not see any reason that anyone should feel uneasy about it, and I do not have any information about anything like that. Only Mr. Klaus reacted to it that way. The Czech Government, as far as I know, did not take a position on it. Our proposals for improving cooperation will benefit all Slovak citizens. In the political area, for example, we want to give the citizens of the other state the very same rights our citizens have. For example, the right to vote at the municipal level, with the exception of parliamentary elections and military service. This is common in West Europe. In the area of education, we want our people to have the possibility to study in the Czech Republic and vice versa, and to be compensated for it by the individual governments. As far as cultural matters are concerned, we could consider, among other things, a joint television program or a joint radio broadcast, which would certainly help to maintain good relations with the Czech Republic.

[Lenicka] We cannot concede that Slovakia is a near abroad—similar discomfitted reactions all the way to flat rejections were heard mostly from the Civic Democratic Party [ODS] politicians, with whom you cooperate closely. Most recently with the Civic Democratic Alliance [ODA], which won seats only in the Czech National Council [CNR], and that, too, thanks to the "Slovak matter" is not too "favorably inclined" toward us....

[Hagyari] I do not think I agree with you. Mr. Kalvoda asked the Slovak side several times just to say clearly what it wants—federation, confederation, or independent states. Nothing else. When I talked with him unofficially at the ODA congress, he welcomed our initiative. He said that, as soon as he gets to the government level, he will personally support it. Similarly Mr. Dlouhy. I admit that I did not talk about it with Mr. Klaus. The realization of this plan requires that both governments be compatible. After all, only in the Czech Republic is there a civic right-wing government, whereas in Slovakia the national left was in the government.

[Lenicka] You consider the Movement for a Democratic Slovakia [HZDS] the national left? Are you not worried about the prediction of the chairman of the Party of the

Democratic Left [SDL] that the Slovak right will not grow out of Hagyari's DS but from the vulgar, populist HZDS?

[Hagyari] We shall see after the elections. I respect comrade Weiss as a man who placed himself at the head of a party that had 800,000 members. It is easier for him to build from something, and when, for 40 years, he was an administrator here. It is another thing to build a civic right wing. I am surprised that Mrs. Schmognerova is following rightist, so-called antisocial politics....

[Lenicka] Are you saying that rightist politics are antisocial?

[Hagyari] What is one to call what they are doing? They defend the interests of the workers, and they say about us that we are antisocial. And all of a sudden, Mrs. Schmognerova is more rightist than Ivan Miklos or Dzurinda.

[Lenicka] In what way is she more rightist?

[Hagyari] Note the cuts in social programs that she is making in an effort to keep as many resources as possible for the state budget!

[Lenicka] If you were in her place, could you afford not to make cuts, given the kind of shortfall that exists in the state budget today?

[Hagyari] No, we embrace that policy. We maintain that we can spend on social programs only when we can afford it.

[Lenicka] You also assert that the difference between the left and the right is that the left distributes and the right contributes. Isn't this too cheap a shot? Don't you think that, when the SDL insists on implementing certain unpopular measures, without which the revival of the economy would be unthinkable, that it does so precisely for the benefit of the working people? That a postponement of these steps would be antipeople?

[Hagyari] I agree that no other solution exists. We evaluate the course of action of this government positively, in spite of the fact that, from the politico-logical standpoint, the government is more to the left.

[Lenicka] L. Kovac, the former minister of education in the first post-November government, therefore from circles close to you, came to the conclusion during the polemic touched off by J. Carnogusky's strict rejection of liberalism that Slovak conservatism has always been reactionary. Reactionary in the sense that it solved problems with delays measured in tens, sometimes even hundreds, of years.... Will you reverse this trend? How will you convince the citizens that, as a conservative party, you are offering a modern program?

[Hagyari] There is a great difference between us and the Christian Democratic Movement [KDH]. Especially in the fact that, while it addresses itself to Christian-oriented people, we are for everybody—without regard to sex, age, education, or religious affiliation. The greatest difference between us is the fact that our stance on abortion is definitely more liberal. In contrast to the KDH, which, as is known, calls for strict prohibition of abortions, we think that a woman must make her own decision. Another difference between us and the KDH is the way we view the Slovak State of 1939-45. In our opinion, it was a satellite of fascist Germany, and one has to take a stance on history accordingly. As far as parties are concerned, we are closest to the ODS or ODA.

[Lenicka] But there are more sticking points in the dialogue between the Slovak secular and religious right. If one could have said until recently that it was the KDH that was impeding this dialogue, now the situation appears to be turning around. As if you were the ones impeding it.

[Hagyari] Who told you that?

[Lenicka] Press that is favorably inclined toward you. I even read there that the only problem that prevents the creation of a clearly defined and unified right-wing bloc is Hagyari's DS.

[Hagyari] That is an interesting opinion, but it is not based on any realistic premises. I do not know of any politician on the Slovak political scene who is more pragmatic than I. In the year and a half that I have been in politics, we succeeded in uniting, under my leadership, six right-of-center political entities. My politics are realistic and pragmatic; I am ready to meet others halfway. I was the one who a year ago said that we must create a large right-of-center bloc. That would ensure that every voter would find his own leader and his own party, and that not even one right-wing vote would be wasted. In this respect, one can only take one's hat off to the left-wing parties, which so quickly and without any problems came to an agreement. A sane mind would say that we can do likewise on the right. So far, that has not happened, but I firmly believe that somehow things will be settled and we shall find a common language.

[Lenicka] But the Cernak people do not hide their antagonism toward your profederation orientation. The Moravcik people's ambition is to get into the parliament on their own, similarly Randa's party of small businessmen. Obviously, it will not be possible to create even a counterbalance to the religious right—the KDH, let alone a unified right-wing bloc.

[Hagyari] There are a number of possibilities. We can also accept the KDH offer to put our top people who are running for office on their slate of candidates, but that carries certain risks. In the sense that not everybody will be ready to accept I. Miklos and me on that slate as long as they harbor, for whatever reason, a certain distrust of the KDH and distance themselves from it. From opinion polls, we know that the majority of our sympathizers do not want to accept the KDH. And it really is questionable whether they would accept having us on their slate of candidates. There is still the possibility of creating a bloc of civic-oriented right-wing parties if the KDH goes

into the elections on its own. It there is no other possibility and the executive council comes to the conclusion that our presence on the KDH ticket will be the best way, we will act accordingly. We think that there is not that much difference in voter preference for us and for the KDH that we need to accept the KDH proposal immediately.

[Lenicka] But you still have not crossed the mandatory 5-percent threshold. Your risk is greater. When will you make a definitive decision?

[Hagyrai] It depends on the offer of the KDH, which is still very unspecific. It did not tell us whether it is offering us five of 10 slots, for which positions, etc. That is one thing. It depends on our executive council, which will meet on the penultimate Saturday in May. I assure you that I will do all I can to see to it that not even one vote is wasted.

[Lenicka] Do you make so bold as to convince voters in case you will be courting them on your own?

[Hagyari] That is a premature question. That will depend on what the voter preferences are in May and June. We want to demand more television time so we can address at least the 10 percent of sympathizers whom we united.

[Lenicka] Do you consider the fusion of the KDS and the DS into the DS the final stop?

[Hagyari] No, I maintain that life will always find the best way, that it will reject anything that is artificial, unnatural.

[Lenicka] You decided on the old, tried-and-true logo. However, ingrained in the mind of our public is the DS, with its "sunflower effect." Moreover, in the leadership of the party are people who are too closely connected with Public Against Violence [VPN], transformed into the Civic Democratic Union [ODU], which perished because it was held in disfavor even by voters with rightist views. Don't you think that certain psychological barriers will again play a role?

[Hagyari] I do not know what barriers you have in mind because Ivan Miklos is an economist par excellence. Today's DS is not the DS that was marked by the sunflower effect. We have a clear program of conservative democrats who place a clear emphasis on economic reform, and we are oriented toward the European Democratic Union [EDU]. We have completed our party structures. We want to convince Slovakia—and do not be offended now—that it is rightist, even though in the last election it voted for the left.

[Lenicka] For the time being, Slovakia is not like that. Why, in your opinion, does it not believe in rightist values?

[Hagyari] It is a matter of personalities.

[Lenicka] Are you saying that the right has too few personalities?

[Hagyari] Yes. In addition, it is unable to convince the citizens. It is not the nation that is dumb and bad but the politician who does not manage to address it. How we can address it is another matter. We can go from door to door, which we are doing, but the media are decisive. As long as television does not give me enough time so that I can express my views in comparison to others and have the citizen choose, I can hardly become a personality. The media, and especially television, can make a personality into a zero or a zero into a personality. We often appear in private, local media, but, unfortunately, television is providing us with too little time. We consider it discrimination against the civic right wing in Slovakia. And it would be a good thing if Slovakia had a balanced political scene, which so far is overwhelmingly left-wing. We see that the KDH, with all due respect to the KDH and the 70 percent of Catholics, speaks only to one-tenth of them.

[Lenicka] ODU and the original DS left a debt of more than 2.5 million korunas. Are you going to settle it?

[Hagyari] I was never a member of ODU.

[Lenicka] But many of its people are members of your party.

[Hagyari] Ask Langos or Porubak about that....

[Lenicka] Not your deputy chairman at the time, Ivan Miklos? He was not in ODU?

[Hagyari] He was, but I do not think he was the chairman.... We assumed the debt left by the old DS, and we are paying it off. I see no reason to have anyone suffer a loss on anyone's account.

[[Lenicka] Are you planning to borrow money for these elections? Do you think there should be a limit on the amount spent on campaigning?

[Hagyari] I will not borrow money. Limits are unnecessary because there are many ways to get around such a law. A law that has loopholes is useless.

[Lenicka] You already used one superlative—sense for pragmatism—to praise yourself. Are there others? And what about the weak points?

[Hagyari] I will not tell you about the weak points. I am exactly the way the citizens of Slovakia are. I am not any smarter, nor am I any dumber. I know exactly what bothers them. I am no demigod, even if I think we have a program to solve Slovakia's problems.

[Lenicka] You went into politics only recently. To do that, you left a lucrative job—adviser on legal matters. Why?

[Hagyari] Yes, I gave up my work as a lawyer. It is because everything I do I want to do well. I decided to give all of my energy to returning the civic right to the parliament and eventually to the government. Unfortunately, politics does not have logic. You cannot always

persuade people by logical arguments. Since the 1992 elections, people have become much worse off—there are no medicines, physicians receive minimum wages, one must pay for schoolbooks in the schools, tuition will be charged in institutions of higher learning, lunch programs will be canceled.... When we realize that inflation is at 30 percent but pensions rose by only 6 percent, that privatization was halted and when it was resumed it changed into a giveaway to loyal subjects, etc., etc., therefore, when you look at any area, the situation has deteriorated, and, in spite of that, a certain movement's popularity is on the rise. I found out after being in politics for several months that politics has no logic. Few people can imagine what terribly hard work it is to build a party with a solid structure, clear objectives, and orientation.

President Kovac Confirms Privatization Policy

LD2506141494 Bratislava Rozhlasova Stanica Slovensko Network in Slovak 1000 GMT 25 Jun 94

[Text] In New York, President Michal Kovac confirmed the government's intention to vigorously continue the privatization process during his meeting with representatives of Merrill Lynch, an important U.S. investment and consulting company. Kovac considers the inability to analyze economic processes with sufficient precision as well as the poorly defined concept of a long-term orientation to be the reason for the slowdown in the transformation process last year. We consider the emergence of businesses that are able to develop and survive in the international market environment to be the main privatization objective, said Kovac, who is continuing his visit to the United States.

Minister Janicina Views Coupon Privatization

AU2506143694 Bratislava PRAVDA in Slovak 17 Jun 94 pp 1, 3

[Interview with Milan Janicina, minister for privatization and the administration of national property, by Ivan Podstupka; place and date not given: "Enterprises Are Avoiding Privatization"]

[Text] There is no doubt that privatization is at the center of the transformation of the economy. After the rapid start in 1992, its tempo slowed down, and preferences for individual methods changed. The current government stresses that all of the privatization methods will be used and that they will be equal. However, this contradicts the statement provided by Milan Janicina, the Slovak Republic's minister for the administration and privatization of national property, that direct sales will be used only in specific cases.

[Janicina] I meant putting standard and nonstandard methods on an equal footing. The coupon method is nonstandard, and there are three standard methods: public auction, public tender, and sale to a person designated in advance—that is, direct sales. Public tender is transparent, but direct sales were, are, and will be a subject for speculation. This is why we want to restrict it, but we cannot entirely avoid it. All of the cases so far have involved enterprises in bad economic situations. We can either launch bankruptcy proceedings against them, or a prospective buyer will emerge who will pledge to revive the enterprise. The second case is more advantageous. Moreover, budget-funded organizations cannot be liquidated. We have to sell them and also consider the system of installments. A different case would be to sell it to a solvent foreign investor. The National Property Fund has obligations and needs money, and a public tender can take several months. We do not want to push direct sales into the background, but, within the standard methods, we want to use them only in justified cases.

[Podstupka] There will be a second wave of coupon privatization. It will not be easy to raise 88 billion [korunas] worth of property....

[Janicina] We are short of 37 billion. I believe that we have time until the end of July to reach this volume. So far, health facilities, half of the agricultural enterprises, and some of the Ministry of the Economy's enterprises have not been included. We are counting on 17 billion worth of property in energy-generating and gas enterprises, despite the fact that, according to Minister Magvasi, the privatization of the energy-generating and gas industry should be organized in a separate law.

[Podstupka] The positions of your ministry and the Ministry of the Economy differ. Is it possible to overcome this difference?

[Janicina] I believe that the difference is not as great as they say. There are two extreme opinions. According to the first one, the privatization of the energy-generating and gas industry means the virtual disintegration of the state, while the other points to the example of the well-functioning British private energy-generating and gas industry. It is possible to agree with Minister Magvasi that our state is young, and intervention has to be done carefully. This is why privatization should be implemented gradually. Enterprises should be transformed into large shareholding companies, which would then establish branch subsidiaries.

[Podstupka] It is expected that state-owned shareholders' companies will be anchored in the law....

[Janicina] I have the feeling that this would be a step backward, a turn toward socialist privatization. We have to make clear what state ownership participation is. As far as I know, a certain respectable legal firm is preparing a draft of this law for the Ministry of the Economy. It is slowly getting into a legislative and legal shakeup. In no case will this be easy. The strategic interest of the state can be secured if the National Property Fund has the controlling volume of shares. However, the National Property Fund was drafted as a certain catalyst of privatization and, after privatization is completed, should wither away. There are fears that it could become a kind of superministry, a super planning commission,

and, moreover, an entrepreneurial subject with enormous assets. This is a great danger. This is why it is possible to abolish the National Property Fund at a certain stage of transformation by transferring the shares securing strategic interests of the state to a state body—the Ministry of the Economy, in this case. I would like to comment here that, on the part of the Ministry of the Economy of the Slovak Republic, we can feel the residue of what used to be the "ministerial" attitude: We are big, and we must control.

[Podstupka] Why are some of these enterprises being privatized by the coupon method? The state is being deprived of certain income.

[Janicina] Simply to improve the average quality of shares that are in coupon privatization. We cannot give only garbage to the people. The previous government believed the coupon method was marginal. They were to pick the raisins from the cake to sell them, and the rest, which no one wanted, would be put into coupon privatization. This is not what we want. In the policy statement, the government pledged also to offer prospering enterprises in coupon privatization, so we have to fulfill it.

[Podstupka] The second wave of coupon privatization will begin in the fall—that is, after the elections. Could a change in political power slow it down, change it, or stop it?

[Janicina] It could theoretically happen that a government that is completely against coupon privatization would assume power. Such a government would have problems because it would discredit itself at home and abroad. It is certain that, if that government had 90 deputies in parliament, it could order anything, even a return to socialism. In that case, I would fear for the fate of coupon privatization.

[Podstupka] Is the Privatization Ministry, after all of the changes and reorganizations, prepared for the second wave of coupon privatization?

[Janicina] I believe it is, as regards the personnel. We have certain problems with founding ministries, particularly regarding coordination with privatized enterprises. Some enterprises are doing everything to avoid privatization. They do not cooperate when completing ownership-related legal documents, particularly referring to real estate. We must overcome this. I have issued an order that every enterprise that is 60-percent prepared must go ahead with privatization. It will be transformed into a shareholding company, and, according to Section 15 of the law on large-scale privatization, the concomitant rights will be transferred onto it.

[Podstupka] Is cooperation with the National Property Fund all right?

[Janicina] Coordination could be better, but we cannot complain. It would be better if we had personnel connection between the National Property Fund management and the ministry. Not on the ministerial level, but it would be good if we returned to the situation where the deputy minister was the chairman of the National Property Fund Presidium.

[Podstupka] What will be the fate of the enterprises whose decision about direct sale, made by the previous government, was abolished by the current government?

[Janicina] Developments will tell us whether they will be sold directly or by public tender. One sale has already been made—the sale of the Nuclear Power Station Research Institute. It was sold to the same people to whom it had been sold under Meciar's government. The project was only completed by missing data. Despite the fact that my resistance to the Employees' Stock Ownership Plan for Companies is known, in this case I had no objections. Only 5 percent will go to the management, and the rest to other employees.

Effects of Privatization Restart Examined

94CH0278D Bratislava TREND in Slovak 4 May 94 p 2

[Article by Jozef Hajko: "Voucher Privatization Will Become Catalyst of Further Changes"]

[Text] The almost forgotten voucher privatization is beginning to take on realistic dimensions after the report on its planning was discussed by the government. The expectation is that it will become an accelerating element of the entire transformation and restructuring process in Slovakia.

Although the government discussed this report of the Ministry of Privatization, the precise amount of state properties destined for voucher privatization is not yet known. The Minister for the Management and Privatization of the Slovak Republic [SR] National Property, Milan Janicina, set the target too high, and, in the list of enterprises to be sold for vouchers, he included assets in the face value of 170 billion Slovak korunas [Sk]. At the same time, he himself expects that the offer will include properties in the value of Sk80-100 billion. The definite number will become known only after a register of shares is worked out with the founding ministries and after an agreement is reached with the SR National Property Fund [FNM], which administers stock in the value of Sk20 billion, which can also be offered to the citizens for their vouchers.

The application of the voucher method, for which the know-how of Czecho-Slovak—and therefore also Slovak—economists is being put to use, has its advantages as well as disadvantages.

Among the disadvantages of the voucher method can be mentioned especially the subsequent unavoidable concentration of economic power of key owners in individual companies and the laborious process of acquiring the means for investments. If it is the objective of the state to also contribute money for privatization, then the voucher privatization brings another disadvantage—it will not fill the FNM coffers.

In the current state of crisis in the Slovak economy, when many state enterprises are on the brink of collapse, privatization (even by means of bankruptcies) appears as the only solution that will achieve long-term rectification. The oppressive global economic climate in which independent Slovakia found itself, and almost two years of marking time without any concept about what to do (not only) in privatization, is dragging into bankruptcy even many promising private enterprises.

Privatization is inevitable because, as has been true from time immemorial, people value and improve only private property. The voucher method today is seen as an inevitability. There are three reasons for that.

First of all, its advantages outweigh its disadvantages: voucher privatization is relatively quick, clear-cut, just, and undemanding of domestic credit resources. It makes it possible to avoid putting a financial burden on the new owner, who, when a standard method is used, must pay for the purchase of the privatized property. For a broad application of the standard methods—direct sales, public competitions, and auctions—there is simply not enough domestic credit, interest from abroad, and, ultimately, even time.

The second reason is the necessity of introducing a firm and conceptual approach into the transformation process. The Ministry of Privatization as well as the other ministries, when approving plans for the second wave of voucher privatization, will finally be faced with having to make a decision on how to privatize the Slovak state enterprises. It does not mean that all of their assets will be sold for vouchers. In each individual case, as M. Janicina emphasizes, individual decisions will be made, which will often call for the use of the standard methods as well. The important thing is that, after two years of unjustifiable foot-dragging, such decisions will finally be made. That will at the same time solve the problem of strategic interest of the state in individual branches of the economy, when the highest executive power will have to define what is the intended permanent share of the state in the assets of selected enterprises. That will indirectly force the government to define the economic orientation of Slovakia in future years.

The third, no less important, reason for using the voucher method is to generate public confidence in the transformation process. If the citizen has the possibility of sharing in the privatization, he will get the justified feeling that the state is treating him fairly. In addition, he will also gain materially. And social peace is one of the few favorable entry elements on which the macroeconomists and politicians in Slovakia can count.

[Box, p 2]

Voucher privatization today appears to be inevitable. There are three reasons:

1. For direct sales, public competions, and auctions there is not enough domestic credit, interest from abroad, or time.

2. Transformation requires a resolute and conceptual approach.

3. The voucher method will instill in the citizens confidence in the transformation process.

Budget Deficit Drops to Sk2.29 Billion in May

AU2706114294 Bratislava HOSPODARSKE NOVINY in Slovak 23 Jun 94 p 2

[TA SR report: "Temporary Growth of Deficit"]

[Text] Bratislava—The deficit of the state budget of the Slovak Republic in the first five months of this year developed more favorably than expected. By 31 May 1994, it declined to 2.29 billion Slovak korunas [Sk] (from Sk3.8 billion at the end of April). As of 21 June 1994, the budget management of the Slovak Republic has been showing a deficit of Sk7.9 billion. This sum will, however, decrease by the end of the month because the surrendering of proceeds from the crucial taxes—the value-added tax and excise taxes—starts after the 23d day of every month. An analysis of the current deviation in the budget management of the Slovak Republic confirms that it is also influenced by the changed position of the Slovak Republic in the fulfillment of the payments agreement with the Czech Republic because Slovakia has now become the Czech Republic's creditor.

Serious Agricultural Situation Viewed

94CH0278A Bratislava HOSPODARSKE NOVINY in Slovak 3 May 94 p 4

[Article by TA SR: "Less Assistance, Higher Payments...Slovak Agriculture Still on the Road to Collapse?"]

[Text] Bratislava (TA SR)—Earnings from the sale of primary agricultural production in Slovakia reached 30.8 billion Slovak korunas [Sk] in 1993. In comparison with 1992, it represents a decline of Sk4.2 billion (12 percent). The report on this situation was provided by the chairman of the Slovak Chamber of the Agricultural and Food Industry, Jozef Juhas. Costs in primary agricultural production rose by Sk1.8 billion, to Sk49.4 billion, in 1993, from Sk47.6 billion in 1992. Indebtedness after the due date, arising from business transactions, increased by Sk800 million and reached Sk7.2 billion, while accounts receivable increased by Sk550 million to more than Sk6 billion. The difference between

accounts payable and accounts receivable is more than Sk1.1 billion, to the disadvantage of primary agricultural production.

Granted investment credit declined from Sk991 million in 1992 to Sk324 million in 1993. The investment activity of agricultural enterprises also declined. Material investments declined from Sk4.2 billion in 1992 to Sk3.8 billion in 1993, within that amount construction work almost by half—from Sk2.2 billion to Sk1.3 billion. In spite of the fact that the volume of total loans and assistance fell from Sk13.3 billion in 1992 to last year's Sk12.1 billion in 1993—that is, by Sk1.2 billion—agricultural enterprises paid Sk4.6 billion in installment payments and Sk2.2 billion in interest. In comparison with 1992, this is an increase of Sk310 million.

Weapon Sales, Conversion Discussed

94CH0278C Bratislava SME in Slovak 27 Apr 94 p 13

[Interview with Colonel Bohumil Gerinca, director of the Defense and Security Department of the Slovak Government Office, by Peter Sporer; place and date not given: Armex Is Not an Alternative to Omnipol in Slovakia"]

[Text] [Sporer] In Slovakia, the selling of arms is often talked and written about only in hints. How is this fact perceived by a man who should have, by virtue of his top position in the government commission for granting licenses for the export and import of arms, a sufficient overview of this matter?

[Gerinca] Every dealer tries to find a buyer, and, when he finds one, he tries to keep his name a secret because there are many possible ways in which to disrupt a potential deal. The producer or the seller, not to mention the buyer, therefore prefers not to talk about it. I believe that so far it has been a good thing for Slovakia, too, that less was said and more was done in this respect.

[Sporer] Done? But if we take into account the small amount of spare parts manufactured in our arms factories (about 5 percent of the original volume of production before conversion) that the factory managers are declaring, then not even the "doing" could not have involved sales on a large scale.

[Gerinca] I agree. And, besides those, only surplus equipment from the arsenal of the Army of the Slovak Republic [SR] was being sold, and that is basically coming slowly to an end—in view of the time limits set by international agreements.

[Sporer] The heavy weapons manufactured in Slovakia were sold by the state through Omnipol. Omnipol was represented and still is represented mainly by people who today live in the Czech Republic—dealers with contacts in specific countries and with specific customers. It is logical, therefore, that if, for example, an Arab or some other client used to arrange deals over dinner with a man from Omnipol, he will not turn today to the prime minister or the manager of an arms factory if he wants to place an order but again to the person with whom he used to deal. Is the loss of Omnipol a big loss?

[Gerinca] Not just a loss but also it literally constitutes harm to Slovakia's interests. These people, after all, are still working for those who pay them, and their priority is to close deals that benefit their organization, that benefit Omnipol. They sell arms manufactured in the Czech Republic, but they also try, naturally, to sell those from other countries—business is business—to make the maximum profit for Omnipol, even at the cost to our producers. We try to prevent it by creating our own system. In Slovakia, only a Slovak firm or basically a legal entity can trade in weapons commodities.

[Sporer] But can Omnipol participate in the sales in the role of a middleman?

[Gerinca] It must have a middleman from our companies who will buy on its behalf. And then Omnipol would proceed with the sale.

[Sporer] The ideal thing would probably be to get people from Omnipol to work for a similar firm in Slovakia, wouldn't it?

[Gerinca] Omnipol is an established organization. People who work there have a certain security. Slovakia does not have a similar organization established on world markets. In certain ways, our merchants who made a name of sorts for themselves in business tried to get those people for themselves. But offering something that might be successful in the future was not enough compared to a certain thing.

[Sporer] From this standpoint, how do you rate the activity of the former minister of general engineering and, before that, director of the VHJ ZTS [Economic Production Unit Heavy Machinery Enterprises], Mr. Luhovy?

[Gerinca] As far as I know, Mr. Luhovy is doing business in retirment. He wants to help Slovakia, and he lives in Slovkia.

[Sporer] Was he rejected?

[Gerinca] No. Of course, the question remains how such help can be utilized. I do not know what Mr. Luhovy is doing today. I am not in contact with him.

[Sporer] As an alternative to Omnipol, the company Armex was created in Slovakia almost seven months ago, with the honorary deputy chairman of the SNS [Slovak National Party], Vitazoslav Moric, named by the government to be its manager. But so far it has not been issued a license by your commission....

[Gerinca] It is difficult to comment on it because Armex so far has not applied for any license. Obviously it has a reason.

[Sporer] A reason?

[Gerinca] In the case of Armex, the state retained 100-percent participation in its business dealings. The idea was to create an organization composed of representatives of five ministries, whose task would be to assume responsibility for trade matters and, as far as possible, a certain coordination of these activities. The start of its activities was tied to the start of production in the arms factories. However, not even the basic prerequisites were present—I have in mind, among other things, the question of experience and initiative in the work of the people involved—and, as a result, the organization is not functioning. It was probably unrealistic to expect anything else from state officials who were delegated to take on this duty.

[Sporer] Is it within the authority of the government to make personnel changes in Armex?

[Gerinca] Of course. The government created Armex, it named its general manager, and it can even dissolve it.

[Sporer] How many companies in Slovakia are trading in arms?

[Gerinca] It is difficult to give a specific answer because there is the matter of getting permission to sell. This is granted by the SR Ministry of Interior. When someone is granted this permission to sell and buy arms commodities, it can ask the government licensing commission to issue a license for these activities. But there are also private dealers who sell weapons only on SR territory, merely on the basis of a permit to carry on a trade—they do not have to have a license. But I emphasize that those who want to export or import arms from abroad must apply to our commission for a license. This possibility is mostly used by firms that trade in short hunting rifles. But a license can also be applied for by a company that generally trades in other products but wants to do this as an additional activity.

[Sporer] In the Martin and Dubnice arms factories, they are saying that, after the conversion, the territories the Slovaks left were taken over by the Poles, and the Russians have become very active. In addition, the Czechs, too, by way of the RDP Group, are actively trying to market their improved T-72 tank. What chance does our heavy-machinery industry have of making a comeback?

[Gerinca] It is true that the Poles, who did not go in for conversion, filled the void. However, the Russians, who never stopped developing tanks, already have the production of T-80 and T-90 tanks on the line. Moreoever, they own an excessive amount of equipment. We have to admit that we actually never developed new types of tanks, only tanks that were already established and that could be, so to speak, "shown"—Herefore, also the T-72 tanks. If we want to succeed, somebody will have to invest in development.

[Sporer] "Somebody" who?

[Gerinca] The buyer who is interested in starting production. Abroad it is a matter of course that this role is assumed by the army of the country that manufactures the arms. It rearms itself and gradually also gets the opportunity to trade with other countries. But the budget of our Army, no matter how high it may appear in comparison with other departments, simply does not provide the possibility of adding new equipment. Therefore, it cannot help in starting up arms production, either. It is, of course, another thing when a factory improves and produces, say, a tank turret (Dubnica), for which it finds buyers among armies equipped with T-72 tanks. It is up to the managers of arms factories to calculate whether a similar trade would be profitable for them.

[Sporer] There is talk about losses in the tens of billions that the state suffered as a result of the conversion. Briefly, how can arms factories cover this loss, in your opinion?

[Gerinca] Their managers know best about that, but it would probably not be appropriate for me to merely reply that the yearly turnover in high octane gasoline was about 20 billion Czechoslovak korunas. A better example is provided by the people from Martin. It is said that, when they manufactured and sold a tank, they made as much as they would if they manufactured and sold 40 tractors today.

MSZP, SZDSZ Reach Agreement on Government

LD2406153494 Budapest Kossuth Radio Network in Hungarian 1500 GMT 24 Jun 94

[Text] The coalition government list of the Hungarian Socialist Party [MSZP] and the Alliance of Free Democrats [SZDSZ] has been drawn up. The list is as follows:
The prime minister is Gyula Horn [MSZP];
the coalition's deputy prime minister and interior minister is Gabor Kuncze [SZDSZ];
the finance minister is Laszlo Bekesi [MSZP];
the industry minister is Laszlo Pal [MSZP];
the transportation minister is Karoly Lotz [SZDSZ];
the agriculture minister is Laszlo Lakos [MSZP];
the labor ministry is Mrs Magda Kosa, nee Kovacs [MSZP];
the environmental protection minister is Ferenc Baja [MSZP];
the defense minister is Gyoergy Keleti [MSZP];
the foreign minister is Laszlo Kovacs [MSZP];
the justice minister is Pal Vastagh [MSZP];
the culture minister is Gabor Fodor [SZDSZ];
the welfare minister is Pal Kovacs [MSZP]; and
the minister without portfolio in charge of national security is Bela Katona [MSZP].

Assembly Debate Scheduled for 14-15 Jul

LD2406163294 Budapest Kossuth Radio Network in Hungarian 1600 GMT 24 Jun 94

[Excerpts] [Announcer] [passage omitted] Our colleague Judit Laszlo now reports on the signing of the coalition agreement.

[Laszlo] [passage omitted] All the personnel proposals will only become definitive when, together with the other chapters of the coalition agreement, they are adopted on 26 June by the Hungarian Socialist Party congress and the Alliance of Free Democrats delegate assembly.

Prime Minister-nominee Gyula Horn also outlined the tasks of the immediate future. It is proposed that the parliamentary debate of the government program and the election of the head of government should take place 14-15 July. Parliamentary deputies should receive the program on 8 July. Another proposal is that the minister nominees should be heard by the relevant committees of the National Assembly 11-12 July.

Horn Praises Agreement

LD2406165894 Budapest Kossuth Radio Network in Hungarian 1600 GMT 24 Jun 94

[Excerpts] An agreement on the government coalition has been drawn up. [passage omitted] The agreement will only become final if the Hungarian Socialist Party [MSZP] congress and the Alliance of Free Democrats [SZDSZ] convention adopt it on Sunday. [MSZP Chairman] Gyula Horn spoke highly of the agreement:

[Begin Horn recording] The MSZP and the SZDSZ are committed to an effective market economy supported by social guarantees. They take a stand for the guaranteeing of human and political rights, for parliamentary democracy and constitutional statehood. The joint goals of the MSZP and the SZDSZ are the guaranteeing of the independence and security of the Hungarian Republic and our country's joining the democratic community of the European peoples, in cooperation with neighbouring countries, and supporting the Hungarians living in neighboring countries.

The MSZP and the SZDSZ wish to lead the country out of the serious crisis with a sensible and resolute economy policy and a sensitive social policy. The two parties are well aware of the fact that the preconditions of this are the maintenance of social peace and the achievement and maintenance of a general agreement with the various groups and [word indistinct] of society. [end recording]

SZDSZ Official Views Structure

AU2406182794 Budapest MAGYAR HIRLAP in Hungarian 24 Jun 94 p 4

["Sz.Sz."-signed interview with Balint Magyar, executive member of the Alliance of Free Democrats; place and date not given: "Full Publicity Is a Guarantee for Both Sides"]

[Text] Balint Magyar is certain that the coalition agreement will be approved at the convention of the Alliance of Free Democrats [SZDSZ] to be held on 26 June. Magyar, who is a member of the SZDSZ's negotiating delegation, said that the planned agreement maximally meets their prior expectations.

[MAGYAR HIRLAP] What will be the structure of the planned coalition agreement?

[Magyar] It will have a relatively short introduction that lays down the coalition's goals and substance. This will be followed by three big blocks: The first one lists the governmental guarantees, the second deals with issues related to the government's structure, and the third will contain the materials coordinated in the special committees. This last section is the longest, making up almost three-quarters of the full text. The coalition's government program is based on the coordinated materials of the special committees. The appendix of the section on structural matters contains the list of ministers. Finally, there will be a brief clause that states that the agreement has to be approved by the congresses and conventions of the two parties.

[MAGYAR HIRLAP] Will you make public all the points of the planned agreement?

[Magyar] Naturally, the 150- to 160-page coalition agreement will not have any secret clauses. As a matter of fact, full publicity is a guarantee for both sides because a possible violation of the agreement cannot be punished through legal means. At the same time, the public will be able to question us about implementing the contents of

the agreement. In my view, the agreement of the Hungarian Socialist Party [MSZP] and the SZDSZ will create a precedent in Hungary because this kind of political agreement has never been made before. I find it very important that the document deals with all the important issues in great detail. I believe that this agreement will also have a beneficial effect on Hungarian political culture. Public attention has mainly been directed to the work of the main delegations, while 50 to 60 people on each side took part in the joint work of the special committees. It is extremely important that, through this, the parliamentary groups and the experts of the parties can fully identify with the coalition agreement. People who will later have to act together in the government's work have, perhaps for the first time in their lives, worked together on the special committees.

[MAGYAR HIRLAP] What do you expect from the SZDSZ's convention on 26 June?

[Magyar] I am certain that the majority of the delegates will accept the coalition agreement. I would remind people that, at the last convention, SZDSZ Chairman Ivan Peto said that only those people should vote for entering the coalition talks who really want the coalition. Even then, the proposal on entering the talks received 80 percent support. I believe that the coalition agreement that is to be signed today maximally meets our prior expectations.

Economic Ministries To Merge

AU2406183194 Budapest NEPSZAVA in Hungarian 24 Jun 94 p 4

[Report by Jozsef Rakos: "One Out of Two Ministries"]

[Text] One result of the coalition talks is that two ministries will be merged. According to the explanation, the Ministry of International Economic Relations (NGKM) is unnecessary because the market is unified, and there is not a domestic and a foreign market. Therefore, it will be dismantled and most of it will be inherited by the future economics ministry.

Down to the level of deputy state secretary, the structural and supervisory system is the same at the two affected ministries—the Industry and Trade Ministry (IKM) and the KGKM.

The two administrations were directed by a total of seven deputy state secretaries but, for example in the IKM, the National Tourist Office (OIH) was a separate unit and its chairman had the rank of head of a main department. Similarly, the Office for European Affairs, headed by an administrative state secretary, had a special role in the NGKM.

The IKM will be the basis of what is to be called the economics ministry. In addition to the already mentioned OIH, it had four major professional areas: industry, energy, trade, and economics. It seems to be expedient to keep the first three of these because the fourth organization is almost the same at the two ministries. They both have economic, finance, control, statistics, and computer sections.

Although with different tasks and requirements, both ministries have an organizational unit dealing with foreign relations, investment, privatization, and joint ventures. In addition to this, an international integration main department also operates in the IKM under the leadership of the deputy secretary of state for trade.

According to the news, the NGKM will see the biggest changes. The ministry will actually be divided up between three ministries. The departments dealing with international finance and investment policy, and the aid coordination secretariat of the OECD will be attached to the Finance Ministry. The Foreign Ministry is also to receive part of the NGKM, namely the network of the state's trade representations abroad. However, it is questionable what to do with the regional main departments because all trade representatives belonged to the main department of their region. These are most probably to work within the framework of the newly established economic ministry.

The fate of the Office for European Affairs is the biggest question. The 50-member organization was established to coordinate integration into Europe

In all Western European countries, independent ministries or similar offices were established to help ease the entry to the European Community. However, actual membership was arranged by the foreign ministries and, since neither the Hungarian Socialist Party nor the Alliance of Free Democrats wants to set up an integration office with a minister without portfolio, this office will probably also be attached to the Foreign Ministry.

SZDSZ National Council Accepts Accord

LD2506162594 Budapest Kossuth Radio Network in Hungarian 1400 GMT 25 Jun 94

[Text] The National Council of the Alliance of Free Democrats [SZDSZ] has accepted the coalition agreement, and it will propose to the extraordinary delegates assembly, which is to convene tomorrow, that it should accept the agreement on principles of joint governing with the Hungarian Socialist Party [MSZP] and on the basic points of the government program. At the SZDSZ National Council the agreement received 50 votes in favor and five against. Four people abstained from voting. Party Chairman Ivan Petoe said that those SZDSZ members who cast their vote against the coalition agreement objected to the negotiations with the MSZP in the first place. The SZDSZ delegates assembly is not going to change the text of the coalition agreement.

Horn Briefs Party on Coalition Pact

LD2606111994 Budapest Kossuth Radio Network in Hungarian 1000 GMT 26 Jun 94

[Text] [Announcer] It will be decided today whether the coalition agreement concluded the day before yesterday

between the Hungarian Socialist Party [MSZP] and the Alliance of Free Democrats [SZDSZ] will be valid. The two parties' chief decisionmaking forums, the MSZP's congress and the SZDSZ's delegates assembly, are to vote on the coalition agreement today, on the basis of the recommendations of the parties' leading bodies. The MSZP congress began a few hours before our broadcast with the speech of Gyula Horn, party chairman and prime minister designate. The reporter is Kata Peli Nagy:

[Nagy] The party chairman and the party congress are satisfied with the coalition agreement, which, in the view of the party leaders, they were able to conclude without making concessions on a single principle.

Party Chairman Gyula Horn, in a speech of nearly an hour, again highlighted the agreement's historic significance. He said that if the two parties' chief delegate bodies approve it, this will be the first social-liberal government in central Europe—what is more, between two parties which prior to 1990 were sharply opposed to one another.

At the same time Gyula Horn found it worth mentioning the fact that with this agreement it is not the SZDSZ that has rendered the MSZP fit for polite society; it was the voters who gave the MSZP its legitimacy. What is more, it gained an absolute majority. In spite of this, the party offered a coalition to the SZDSZ.

There was total agreement with the SZDSZ in that the country must be put onto the path of modernization, while social viewpoints are taken fully into consideration.

The agreement has no secret clauses, and even taken as a whole it is a good example. Simply on its own, it is a guarantee that there can be no repetition of a coalition similar to the one in 1990 [between the Hungarian Democratic Forum, the Christian Democratic People's Party, and the Independent Smallholders Party], the party chairman said.

The coalition agreement, Gyula Horn said, could be a good foundation for a new political culture. The essence of this is that the two parties offer the losing parties reconciliation [megbekeles] and constructive cooperation.

The agreement, incidentally, was also received favorably by the international political public, at least according to the party chairman.

Concerning international affairs, Gyula Horn said activities which offend the Hungarian minorities beyond the borders would not be ignored by the next government, either. His party considers it inconceivable to have relations with a party that for example defends, and furthermore supports, the [Mayor Gheorghe] Funar type of actions in Cluj-Napoca [Kolozsvar].

Finally, in connection with the government list, Gyula Horn said the cabinet consists of competent [hozzaertoe] people, although it is not easy to find experts for government functions.

MSZP Adopts Coalition Accord

LD2606122494 Budapest Kossuth Radio Network in Hungarian 1200 GMT 26 Jun 94

[Text] With a sweeping majority, the Hungarian Socialist Party [MSZP] congress has adopted the coalition agreement concluded with the Alliance of Free Democrats. Of the 436 delegates, 228 voted in favor. With this, the MSZP extraordinary congress has ended its work. The party's parliamentary group will hold a meeting this afternoon.

MSZP Nominates Committee Candidates

LD2606175394 Budapest Kossuth Radio Network in Hungarian 1600 GMT 26 Jun 94

[Excerpts] The Hungarian Socialist Party [MSZP] Congress and the delegate assembly of the Alliance of Free Democrats [SZDSZ] have adopted, both with a large majority, the coalition agreement reached two days ago. Kata Peli Nagy reports on the circumstances of the ballot at the MSZP congress.

[Nagy] [passage omitted] According to Gyula Horn, the agreement promises a predictable policy that focuses on people, which is sociologically well-grounded and which intends to modernize. [passage omitted]

Gyula Horn sees the basis on which the government program is founded as neither liberal, nor left-wing, but a realistic one. It is unequivocally clear from the document that the coalition wants a social market economy, it is enterprise-friendly, and encourages foreign investment. Its strategic aim is to speedily join the West European organizations, to establish good-neighborly relations with countries surrounding Hungary, and to support as far as possible the Hungarians living as minorities.

Gyula Horn, who is the MSZP candidate for the post of prime minister, views his upcoming government as a government of experts despite the concessions he had to make during the negotiations with the SZDSZ.

Horn said that finding state secretaries for the ministers will be next week's task. In connection with this I have learned that no candidates have been found as yet for filling the state secretarial posts that were originally offered to Gyorgy Janosi and Sandor Csintalan. Janosi rejected the post of state secretary at the Ministry of Culture and Public Education, while Csintalan refused the post of state secretary at the Ministry of Labor that Mrs. Kosa, nee Magda Kovacs, candidate for the post of minister of labor, offered him.

Pal Vastagh, candidate for the post of justice minister, has also failed to find a state secretary. MSZP Deputy

Chairman Ferenc Baja has asked Katalin Szili to accept the post of state secretary at the Ministry of Environmental Protection.

Csaba Tabajdi has been nominated for the state secretarial post of chairman of the Office of Hungarians Beyond the Border and the National and Ethnic Minorities Office—the two offices will be merged.

MSZP Deputy Chairman Imre Szekeres was elected as leader of the MSZP group of parliamentary deputies at the congress this afternoon. [passage omitted] The group decided on the people it will delegate to posts of chairmen and deputy chairmen of the parliamentary committees:
Sandor Orosz—chairman of the Agricultural Committee;
Judit Csehak—chairwoman of the Social Affairs Committee;
Etele Barath—chairwoman of the Environmental Protection;
Ivan Vitanyi—chairman of the Cultural Committee;
Gabor Gellert Kis—chairman of the Human Rights Committee;
Gyorgy Janosi—chairman of the Education Committee;
Sandor Nagy—chairman of the Audit Committee;
Jozsef Alajos Geczi—chairman of the Parliamentary Immunity Committee.

Horn Views Difficulties Ahead

LD2706105394 Budapest Kossuth Radio Network in Hungarian 0445 GMT 27 Jun 94

[Excerpts] Gyula Horn has described as historic the coalition agreement on the basis of which a social-liberal government can be established. Among other things, I asked the MSZP [Hungarian Socialist Party] prime minister designate [Gyula Horn] about this after yesterday's MSZP congress.

[Begin recording] [Unidentified correspondent] [passage omitted] We know that this government has to take very tough economic steps to sort out the country's economy. When do you think these steps have to be taken? Can steps of this nature be delayed?

[Horn] [passage omitted] The difficulties are just ahead of us. By difficulties I mean the country's extremely serious crisis, because that is what we are talking about. The financial burdens and financial liabilities are enormous. The next government's room for maneuver is extremely narrow. There is a lot we do not yet know, and I have to admit I am afraid that the next government will be surprised at a lot of things.

[Correspondent] What kind of surprises are you thinking of? Do you think the outgoing government has not given sufficient information?

[Horn] When we studied the documents we asked for and which were promised by [Prime Minister] Peter Boross, we found that the documents did not give a realistic picture of 1994, especially of what can be expected in the second half of 1994 and what obligations fall on the next government, which is the successor of the previous government in this sense. We are not supposed to break any law or agreement made by the previous government. [passage omitted]

At the same time, we want to speed up and widen the opportunities in international relations which, in our view, can help realize the tasks of modernization. Very urgent meetings and international negotiations are indispensable for this with partners such as Germany or Austria, or—of a totally different nature—with Slovakia. [passage omitted]

[Correspondent] [passage omitted] It was five years ago that you, with Alois Mock, cut through the Iron Curtain. [passage omitted] I could say there is something symbolic in your becoming prime minister in Hungary five years after this. But I think it will be quite difficult to surpass that achievement. Am I wrong?

[Horn] [passage omitted] I am interested in only one thing—that we fully meet our commitments toward the electorate, the country. [passage omitted] We would like to achieve prosperity for the 10.5 million strong Hungarian nation [magyarsag] living within our national borders, whether they voted for us or not. This is our mission. [passage omitted] [end recording]

KDNP Presidium Resigns After Election 'Fiasco'

LD2506151194 Budapest Kossuth Radio Network in Hungarian 1200 GMT 25 Jun 94

[Text] The presidium of the Christian Democratic People's Party [KDNP] has resigned. At a session of its national executive, Party Chairman Laszlo Surjan described the party's election performance as a fiasco, in spite of the fact that this time it received more votes than four years ago. The departing leader pointed out that the KDNP leadership must be renewed, and that this is why the presidium has quit its mandate.

'Partnership' Exercises Set for 9-17 Sep

LD2706131094 Warsaw PAP in Polish 1113 GMT 27 Jun 94

[Text] Warsaw, 27 Jun—The Ministry of Defense press and information office said today that, as part of the "Partnership for Peace" program, the first land military exercises in a country that is not a NATO member will take place from 9 to 17 September on training grounds in Zagan.

The exercises are planned with a view to preparations for UN peace missions, and troops from some of the states from the Partnership of Peace program will take part. Apart from Poles, U.S. soldiers will also participate. Poland now awaits confirmation from other invited states.

Walesa Praises Visiting German President

LD2506110094 Warsaw PAP in Polish 0901 GMT 25 Jun 94

[Text] Warsaw, 25 Jun—You have done a great deal for the reconciliation between our nations and a great deal for one Europe, President Lech Walesa said today at the Belweder while presenting the Grand Cross of the Order of Merit of the Polish Republic to German President Richard von Weizsaecker.

Weizsaecker, whose visit to Poland is his last as president, then presented Lech Walesa with the Grand Cross of the Order of Merit, the highest German decoration.

Lech Walesa said: "In my country, you are considered a great friend of Poland and the Poles. You have always supported friendly relations, as well as understanding and neighborly cooperation. You were one of the first to speak out in favor of overcoming our difficult past and removing the barriers dividing our states and nations. It was you who said: Let us learn to live not against each other, but together. You said that at a time when admitting friendly feelings toward Poland was unpopular."

The president stressed that Richard von Weizsaecker is a politician who "wanted to use traditional Christian values such as truth, respect, love, and good as a measure for mutual interstate relations." "You also wanted these values to become a foundation of future Polish-German neighborliness. This has made you a worthy successor of the Konrad Adenauer idea. You believe, as he did, that the new Germany will become a good neighbor of Poland," Walesa added.

Weizsaecker said that, during his entire political life, relations between Poland and Germany "have been particularly close to my heart." "I would like to thank you and your fellow citizens for the leading role played by Poland under your leadership in gaining freedom for Europe," he told Lech Walesa. "While not forgetting the past, let us create the future together," the German president said.

Richard von Weizsaecker will be a guest of a conference on "A New Germany in a New World," organized by the Stefan Batory Foundation, the RESPUBLICA NOVA monthly, and the Robert Bosch Foundation.

Walesa on TV Privatization, Press Freedom

LD2606102594 Warsaw PAP in Polish 2300 GMT 25 Jun 94

[Text] On Saturday, President Lech Walesa took part in a periodic program by the New Television Warsaw station [Nowa Telewizja Warszawa—NTW] entitled "And Now to Concrete Issues." The meeting, which took place in the Belweder Palace, was relayed live via satellite by all 12 regional TV stations carrying Polonia 1 programs, the NTW editorial office reported on 26 June. According to NTW, such relay and its scope occurred for the first time in the history of commercial television in Poland.

As it transpires from a communique sent to PAP, viewers across the whole country could ask the president questions directly thanks to special telephone links. Lech Walesa answered questions posed before and during the program for about 35 minutes. The questions concerned diverse issues, among other things, local government elections and plans for the presidential election campaign, foreign policy, and Poland's participation in NATO. Questions were also asked about the president's attitude to the death penalty and the judiciary, in general.

Asked why such conversation was not carried by public television, which belongs to both the rulers and the ruled, Lech Walesa replied that he had never refused participation in public television programs but that he had never received an invitation. He also said that it would be ideal to make available those frequencies currently owned by the military to all interested broadcasters and let the harsh market rules decide on selection. He said, however, that the Army needs time and the necessary equipment to make these frequencies gradually available.

Asked if, besides the National Radio and TV Broadcasting Council [KRRiTV], there should be an institution controlling the press, the president replied that he is an opponent of political control in a democratic state and that, in any case, the press carries so many virtually scandalous reports that to deny them he would have to bring several court cases every day, the NTW statement reads.

[Warsaw Third Program Radio Network in Polish at 0900 GMT on 26 June adds that NTW "has been broadcasting without a franchise" and "belongs to Nicola Grauso's Polonia 1 Television Network"]

Walesa Denies Olechowski Dismissal Reports

LD2506145194 Warsaw Radio Warszawa Network in Polish 1200 GMT 25 Jun 94

[Text] President Lech Walesa has denied reports of the possible dismissal of Foreign Affairs Minister Andrzej Olechowski. He said during a meeting with journalists that the matter has not been considered at all and that he himself will not accept Olechowski's departure. Andrzej Olechowski has also said that he does not intend to resign and is not going to.

Deputy Finance Minister Tenders Resignation

LD2506203294 Warsaw TVP Television First Program Network in Polish 1730 GMT 25 Jun 94

[From the "Wiadomosci" newscast; relayed by Warsaw TV Polonia Network in Polish]

[Text] [Announcer Pienkowska] Deputy Finance Minister Henryk Chmielak has presented his resignation to Prime Minister Pawlak. As he said, he has received a number of offers from the private financial sector and now wishes to work there.

[Unidentified correspondent] For three months after the dismissal of Marek Borowski, Henryk Chmielak directed the Finance Ministry until the appointment of Grzegorz Kolodko to the post of finance minister.

[Begin Chmielak recording] I have received a number of very interesting offers from the commercial financial sector, very interesting in the professional sense, and I have applied to Prime Minister Pawlak and Deputy Prime Minister Kolodko in writing with a request for the opportunity to take advantage of these offers. [end recording]

[Correspondent] The Government Press Office was not capable of giving a reply to the question of whether and when the resignation might be accepted. Journalists were only told that Henryk Chmielak and Wojciech Misiag, a second deputy finance minister, are continuing to work on the Strategy for Poland program presented by Grzegorz Kolodko, the present finance minister.

Unofficially, there is also talk that Wojciech Misiag will leave the Finance Ministry, although not at his own request. Prime Minister Pawlak is to give him his dismissal notice on Monday [27 June]. We did not succeed in gaining confirmation of this news at the Office of the Council of Ministers. Wojciech Misiag himself did not wish to discuss this with the press. He invited them for Monday. Wojciech Misiag was appointed to the post of deputy finance minister by Deputy Prime Minister Leszek Balcerowicz in the fall of 1989. For four years, he was responsible for the preparation of successive state budgets.

Two Finance Deputies Replaced

LD2706082294 Warsaw Radio Warszawa Network in Polish 0600 GMT 27 Jun 94

[Excerpt] During the Warsaw Radio morning slot "Signals of the Day" today, Grzegorz Kolodko, deputy prime minister and finance minister, confirmed that there have been personnel changes in his ministry. Two deputy ministers—Wojciech Misiag and Henryk Chmielak—have been dismissed.

[Begin Kolodko recording] Today I am handing a thank you letter to Dr. Chmielak and Minister Misiag, who will now be working in a different capacity. This is in connection with certain changes arising from the implementation of the Strategy for Poland program, which is now official and has been adopted by the Sejm. They are leading experts and we do not have enough of them. They will be helping us out, using their experience, expertise, and qualifications in a different way.

At 0805, on behalf of Prime Minister Pawlak, I will be making appropriate nominations. Dr. Krzysztof Kalicki from the Main School of Commerce, a leading expert in monetary policy, will be appointed as first deputy finance minister and secretary of state. Professor Elzbieta Chojna-Duch, from the Law Department at Warsaw University, who was until now my adviser on budget policy, will be appointed under secretary of state, with responsibility for supervising the budget sector.

I would like to add that these are not the only changes. These are the changes that are being implemented today in this ministry. [end recording] [passage omitted]

SDRP Reports SLD Wins in 75 Cities

LD2606112094 Warsaw PAP in Polish 0955 GMT 26 Jun 94

[Text] Warsaw, 26 Jun—The Democratic Left Alliance [SLD] had registered lists with their candidates for councillors in 141 cities out of the total of 142 cities where proportional representation elections were held; the alliance won in 75 cities, including four where it won the absolute majority. In three cities it did not win a single seat, Jerzy Szmajdzinski, the Social Democracy of the Polish Republic [SDRP] general secretary, announced at a Sunday meeting of the party's Supreme Council.

The SLD obtained an absolute majority in Sosnowiec, Ostrowiec Swietokrzyski, Walbrzych, and Wloclawek. In the remaining cities, SLD participation in exercising power would require talks and agreements. Talks are being held in a dozen or so centers, among others, Plock and Jelenia Gora, Szmajdzinski said.

In his view, the alliance filled 27.2 percent of seats in multiple-seat constituencies. Compared with parliamentary elections, it had a worse result in 69 cities and a

better one in 29. In 23, there was no change. The largest drop in the SLD's popularity was noted in Katowice Province.

Analysis of the results in single-seat constituencies is still continuing. According to data available now, the alliance has won an absolute majority in seven rural parishes. During today's meeting, the SDRP Supreme Council will make an initial analysis of the party associates' performances in the election campaign.

Union of Labor To Join Opposition

LD2606163494 Warsaw Radio Warszawa Network in Polish 1600 GMT 26 Jun 94

[Text] The National Council of the Union of Labor [UP] has made a decision on joining the opposition to Prime Minister Waldemar Pawlak's government. UP has accused the government coalition of failing to implement the policies announced during the election campaign and of continuing the policies of the previous governments. UP has also criticized the government's Strategy for Poland program. According to UP, this document assumes a further exacerbation of the uneven distribution of the social costs of the transformation of the state.

The UP National Council has not yet decided whether Industry Minister Marek Pol, who represents UP in the government, should leave the Council of Ministers.

Alliance for Poland Seeks To Unite Right Wing

94EP0062A Warsaw POLITYKA in Polish No 21, 21 May 94 p 9

[Interview with Jaroslaw Kaczynski, leader of Center Accord, by Janina Paradowska and Mariusz Janicki; place and date not given: "A Soft System"]

[Text] [POLITYKA] You are the author of one of the most famous sayings in postcommunist Poland, that the shortest road to the de-Christianization of Poland runs through the Christian National Union [ZChN]. The Center Accord [PC] itself you built up as rather an opposition to the ZChN. Today, the PC and the ZChN are the core of a new confederation of the right, the Alliance for Poland. How should one treat that alliance: as your success, your defeat, or the closing of some chapter?

[Kaczynski] Before 19 September [date of most recent parliamentary elections], I knew that, without an accord, the right would meet defeat. I expected an even better result for the left—that it would have two-thirds of the Sejm. Today, I regard the alliance with the ZChN as a success, though too late.

[POLITYKA] Do you expect a rise in popularity as a result of the joining of these two banners?

[Kaczynski] It is the joining not only of banners, but also of organizations, including at the local level. The Alliance for Poland will find its own legal and organizational formula. In Poland, it is not possible to register parties that are made up of other parties, so we will have to think about this matter.

[POLITYKA] But what new political quality will emerge upon the joining of too separate groupings that nevertheless retain their separateness?

[Kaczynski] On the one hand, organizational rapprochement; on the other, a programmatic compromise as well. There were fierce negotiations and occasionally crises over the program, but, in the end, we worked out the outline of a program.

[POLITYKA] You speak about unification and success, but there were several divisions before that unification was reached. The Movement for the Republic and Aleksander Hall's party disassociated, and strong tendencies against the alliance with the PC in the ZChN itself. Is such a unification through division really a step forward?

[Kaczynski] One can look at the right from two points of view. One can exaggerate phenomena we consider the scraps, or one can look at what is essential. I understand that there are forces and groups that are hindered or even threatened by the united right. We are simply uniting in a rational way; it is not possible, after all, that everyone should unite.

[POLITYKA] Do you mean to say, then, that the fundamentalist wing within the ZChN, represented by Jan Lopuszanski or Marek Jurek, is a meaningless scrap?

[Kaczynski] I would not unite the names of Lopuszanski and Jurek; they are completely different politicians. I do not regard Marek Jurek as a scrap. I hope he stays in the ZChN. The essence of the present arguments in that party are not entirely clear to me. But the fact that we will differ in many matters seems to me completely natural. An example is the Bavarian CSU, where there is room for both clerics, or let us say "church people," and liberals. To use Polish terms, in such a right-wing party there is room for both Marek Jurek and Jan Krzysztof Bielecki. Perhaps not for Donald Tusk, because he is surely an unreconstructed liberal.

[POLITYKA] So you have hope for the right?

[Kaczynski] It should stabilize the political order, which is now so unsteady. There emerges a chance for a quadripartite system: the postcommunists, the Polish Peasant Party [PSL], the Freedom Union, and the united right. There could also be room for the Union of Labor, which might take the place of the postcommunists. This is not out of the question.

[POLITYKA] You would then be the party furthest to the right?

[Kaczynski] The furthest of the significant parties, meaning those that are capable of gaining at least 15-20 percent of the votes in an election—because it is characteristic of Poland that 15-20 percent is entirely sufficient to rule the country, as shown by the PSL.

[POLITYKA] What would a united right have to offer, in the sense of a program or idea? Whatever you might say, the Polish right calls to mind a kind of Catholic fundamentalism, radical decommunization slogans, or just inscrutability.

[Kaczynski] You have presented the propaganda version of the right—the leftist version. We really have had and do have a program in all the important areas of life, but they have not drawn the interest of the media, which have only played up the decommunization. It is true that these programs must be worked on.

[POLITYKA] After its unification congress, the Freedom Union is often perceived as a right-wing party; clear anticommunist accents have appeared, along with signs of reconciliation with the church. Please tell us what really makes the Alliance for Poland's program different from that of the Freedom Union?

[Kaczynski] I am glad that our positions, which at one time were roundly condemned, are now adopted by part of the Freedom Union. But let us be clear: I am only moderately convinced by those declarations. The Union is made up of people who have certain resumes, views, and sympathies. I do not really see Jacek Kuron, for example, as a liberal conservative, though that is how I would describe Bronislaw Komorowski, for example—or Bielecki. But many others have views that are liberal, socioliberal, or even libertine. I am talking here about values. Of course, if the Union moves right, that would be a positive process. Every move to the right is desirable because only the right can reform Poland. Nothing will change my conviction on this.

[POLITYKA] Values are one thing, but what else divides the Union's "right" from yours?

[Kaczynski] Essentially, attitude toward the present social and political order is most important. We have demanded and continued to demand the fundamental reconstruction of that structure, which must include the very painful humbling of some groups.

[POLITYKA] How do you imagine this might happen, inasmuch as you said two years ago that it was already too late for many things?

[Kaczynski] It is true; some things cannot be reversed. The huge sums stolen by the so-called *nomenklatura* corporations can not be recovered. That money has now gone through so many owners that it would be impossible to recreate the path it has taken.

[POLITYKA] There would have to be another theft of that which, in your opinion, has already been stolen?

[Kaczynski] I would use another term, perhaps: One would simply have to call into question in a radical way the certainty of law and of business transactions, and that is just not worth it. Not that I would have any moral objections to doing that, but, for certain reasons, it just is not worth the effort. There are, however, moves that can be easily made without threatening the system in any way—for example, changing the management of state banks.

[POLITYKA] Can a one-time change of people restore the system's health?

[Kaczynski] Yes, because until now the *nomenklatura* has been giving out money to its own people.

[POLITYKA] You often offer three slogans as a shorthand for the program of the PC: Christian values, national traditions, and acceptance of the free market economy. I would think that millions of Poles would be prepared to declare themselves for such a program. Yet the PC has neither millions of members nor, what is worse, millions of voters.

[Kaczynski] Those are higher goals and values and, thus, general; they must be achieved. But today immediate goals are also important. One must answer the question of who is to be in charge in our country, what the new class of owners should look like. This is the essence. We have taken up the struggle with the strongest. That we are right is shown by the fact that they are trying to destroy us. They have begun a fierce campaign.

[POLITYKA] How many members does the Center Accord have today?

[Kaczynski] Approximately 7,000.

[POLITYKA] What, above all, must be done today in Poland?

[Kaczynski] The foundations for a change in power must be created. One of these foundations is the unification of the right. I am not a fan of going out into the streets, of great strikes, and of other such revolutionary methods.

[POLITYKA] Then what is your position on the latest wave of strikes in our country?

[Kaczynski] I regard it as a justified reaction to this gigantic swindle that took place in Poland before the election. The promises of the left could be calculated at some 300 trillion zlotys, which of course excluded the fulfillment of such promises. Actually, it is good that they have not tried to fulfill them because that would mean the end of our economy. The political order we have today is bad not only because it is contrary to our values and views but also because it has a confrontational character. The enemy has reappeared, and that fosters revolutionary situations. Things were not always as they should have been over the previous four years, but there were never huge upheavals because that enemy was not there. It is true that there were shouts of "thief" during demonstrations every week in front of the Office

of the Council of Ministers, but, despite everything, there was not a confrontation. However, for many people who still identify with Solidarity, the present government is unacceptable. The strikes that occurred recently would not have been possible at all during the so-called Solidarity governments.

[POLITYKA] It seems as if a miners' strike is scheduled on our political calendar more or less twice a year.

[Kaczynski] I am not suffering from loss of memory, and I remember those strikes, too. But please note that the present government went to unheard-of lengths to make concessions, and, despite this, the strike continues to smolder. I do not know that it can be easily extinguished because we have a new situation: a strike when communists are ruling, yet there are no repressions like in the old regime. There is no element of fear, but there is the element of political confrontation. This is a new quality, and the effects of this cannot clearly be seen.

[POLITYKA] Do you see a locus for the united right in Solidarity? Will you be trying for the union's support?

[Kaczynski] Using trade unions—and I'm thinking here of Solidarity—for directly political goals is the action of politicians who have lost their own political means. There is an error in thinking here because Solidarity is internally quite varied. What, after all, links Ewa Lewicka from the Mazowsze region, who is a supporter of the Union of Labor, to Slawomir Siwek, who has always declared himself a right Christian Democrat?

[POLITYKA] So Solidarity does not interest the right as a partner?

[Kaczynski] I repeat: We do not support the direct use of the union. Nonetheless, we count on rational thinking winning out in Solidarity and the union placing its support with those political forces that are really able to change Poland within the limits of economic reason.

[POLITYKA] What scenario do you envision for the unified right?

[Kaczynski] A deepening of internal integration and the building of a common program. And also political activity, which will be particularly evident this fall.

[POLITYKA] Will the local government elections be a test for the new right, or don't you treat them that way?

[Kaczynski] In a direct sense no, because we have entered various coalitions in different localities—including with the Freedom Union. We want to hold back the ruling coalition in order to lessen the dimensions of its victory. This will be difficult because the countryside is dominated, without exaggeration, by a PSL political monoculture. The structures of the United Peasant Party were not dissolved when the time was right, and now we have the result of this.

[POLITYKA] In an interview for GAZETA WYBORCZA after the election, you spoke about the need to rethink, reevaluate attitudes toward the Alliance of the Democratic Left [SLD], which is an enduring element of the Polish political scene. There is no evidence of such rethinking and reevaluation in what you say. The rhetoric has changed, but the essence has remained the same.

[Kaczynski] I have reevaluated. At first I assessed their political qualifications higher, and now I consider them to be close to zero. To win the election and have really almost no power—that is almost impossible to imagine. Walesa took some of the power, Pawlak took the rest, and Kwasniewski managed to believe in what the press wrote about some kind of super prime ministership. He completely forgot that institutional positions and not a series of awards or titles are important. The SLD is like officers who look good on the parade ground but do not count for much when it comes to a real battle. This, of course, creates the hope that the results of the last election will not be repeated. And, besides the tactical defeat, there are the policies they pursue, which I consider to be destructive.

[POLITYKA] You said that they do not have power, so how could they conduct a destructive policy?

[Kaczynski] Well, they are not overthrowing the government; they are not leaving the coalition. They thus give permission for that policy. This does not encourage one to see them as someone who might in the future be a lasting partner in a general political endeavor.

[POLITYKA] You envision, therefore, an unending confrontation, along the lines of: In one election they do us in, and in the next we do them in. And once again we will reckon, decommunize, lustrate. This method of acting does not seem to enjoy much popularity in public opinion.

[Kaczynski] If we were to win the election by ourselves, which does not seem to be in the cards, someone who was in the security apparatus could with certainty count on only the lowest pension. In addition, he would have to thank us because even more drastic methods would be considered just. But, because we live in soft times, those lowest pensions would have to do. As far as immediate public opinion is concerned...

[POLITYKA] ...not only: the election verdict as well.

[Kaczynski] Public opinion is changeable. I assure you that if, in 1989, the PRL [Polish People's Republic] was clearly separated from the new era and decommunization had been conducted with a series of trials, that opinion would be radically different.

[POLITYKA] Thank you.

Status of Local Self-Government Viewed

PM2706085894 Gdansk DZIENNIK BALTYCKI in Polish 14 Jun 94 p 3

[Interview with Professor Michal Kulesza, former government official, by correspondent Tomasz Zajac; place and date not given]

[Text] We keep hearing comments about the growing role of local self-government in the political life of the country. However, is it not that we entertain happy illusions about it, while the central authorities are determined not to give away their power to the so-called lower reaches—that is, local self-government bodies?

[Kulesza] It is precisely as you suggest. The central authorities are very attached to their positions, and this is not a phenomenon that suddenly developed after 19 September [1993—parliamentary election]. The conservative nature of political structures is a general feature in world politics. Centralism is a common disease of politicians, although, in the West, for example, a decentralization campaign was launched as a conscious and deliberate decision many years ago.

[Zajac] Do you not believe that the handing down of power is impeded by the fear and traditionalist mentality of the politicians at the top, whereas, if we consider it objectively, they would actually be able to get rid of the responsibility for many problems?

[Kulesza] Handing over a certain proportion of their responsibilities would be more advantageous to them in objective terms, but it would not be as simple as all that. When you try to jump onto a moving streetcar, there is a moment at which you are no longer running but are not yet riding the streetcar. This situation is something we can quite realistically fear. All of the noncommunist governments we had since 19 September were doing something—well or less well, wisely or not very—to promote the cause of a reform of the central administration system, which aimed, among other things, at a decentralization of power. We even arrived at a stage, during the Suchocka government, where everything was already prepared for a reform, and the only thing needed was to simply launch it. It so happened that I was at that time responsible for the administrative reform, and I remember clearly that there was also a very obvious public need and desire for such a change. The following may be an extreme example, but people really did offer church services for the success of the new districts scheme. So what happened instead? We now have the very first government that commands an unquestionable majority in parliament but has absolutely no political willpower to reform the administration system. The conditions and opportunities are there, but there is no will to carry out the reform.

[Zajac] The price of the reform is another subject of public debate. Critics claim that the new districts will simply be too expensive.

[Kulesza] I disagree. The cost of the administrative reform will come to approximately half a trillion zlotys [Z]. An election costs as much, to reach for a topical example. The costs of relinquishing the plans for the reform will be much higher.

[Zajac] How would you answer the argument that, in fact, a reform that reinforces self-government structures and hands over power to "lower," local structures is needed by politically bankrupt politicians rather than by our society?

[Kulesza] Such an objection is simply stupid. I will answer it with a simple example: If you are buying a car of a particular make, you are not interested in its finer construction details because that is a job for the engineering designer. Similarly, the design and implementation of local self-government reforms are jobs for politicians. You simply want to drive your new car in comfort, while society wants to see efficient and effective administration, competent police, and good hospitals and schools—that is, everything that can be designed and executed by the "political engineers."

[Zajac] Does this mean that politicians know better what the public wants?

[Kulesza] Politicians must know better because that is what they are elected for. They are responsible for setting up all of the mechanisms in the state so that these work well and are of benefit to the public.

[Zajac] How should this local self-government "automobile" look?

[Kulesza] Local communities should assume control of everything that is required to meet the collective needs of the local population—for example, education (primary as well as secondary), health care and social services, the police, the fire-fighting forces, culture and the arts, and so on. At the same time, we must remember that we cannot hand over power and responsibility without money.

[Zajac] Let us move from theory to practical considerations. Our own backyard in the tri-city [Gdansk, Gdynia, Sopot] conurbation surely provides an interesting example of local self-government run actively by the local community, with all of the advantages and drawbacks that this entails.

[Kulesza] The tri-city is in a rather fortunate situation. The conurbation, whose size equals other major cities in Poland, is divided into three sectors, each with its own self-government bodies. This is all working well, even as the decentralization reform in Warsaw, which is devised along the same lines, is encountering very considerable resistance.

[Zajac] To conclude, let us attempt a recapitulation of the situation. Although, admittedly, the administrative reform and the associated "handing down" of power to local structures has been halted, the last word in the

reform process has not been said yet. Are you an optimist or a pessimist when it comes to assessing the future of that process?

[Kulesza] That depends on how the three parties involved—that is, the Democratic Left Alliance, the Polish Peasant Party, and the Union of Freedom—act now. However, it is difficult to ward off pessimistic reflections about the future of the reform.

[Zajac] Thank you for talking with us.

Pawlak Signs Decree on Implementing 'Strategy'

LD2406202994 Warsaw PAP in Polish 1949 GMT 24 Jun 94

[Text] Warsaw, 24 Jun—On 20 June, Prime Minister Waldemar Pawlak signed a decree on preparing the implementation of "Strategy for Poland," the government plan for socioeconomic policy for the years 1994-97, the Government Press Office reported this evening.

On the basis of the decree on the introduction and implementation of "Stretegy for Poland", ministers and heads of central administrative offices will, by 25 June, prepare lists of ministerial tasks ensuant upon "Strategy," the drafts of new legislative documents, and indispensible changes to legislation already in existence. Supervision over the preparatory work has been entrusted to the secretary of the Council of Minister's Economic Committee [KERM].

The timetable of activities making possible the introduction and implementation of the government program, prepared on the basis of ministerial materials, will be presented to the Council of Ministers by the KERM secretary by 5 July of this year, reads the Government Press Office communique.

Kolodko Says World Bank Supports 'Strategy'

LD2706114994 Warsaw PAP in Polish 1006 GMT 27 Jun 94

[Text] Warsaw, 27 Jun—According to Grzegorz Kolodko, deputy prime minister and finance minister, cooperation with the World Bank "Will be even better than it has been so far." Kolodko said this to journalists after meeting today with Wilfried Thalwitz, World Bank vice president (Europe and Central Asia Regional Office).

The bank supports the "Strategy for Poland" program, as well as new, joint projects, which will be financed from the bank's resources. They are connected with the development of infrastructure, a restructuring of the power industry and the welfare system, and development of the transport network. "Today we talked about the money, which is big," Kolodko said.

Most of the World Bank funds are used, but we have some problems with utilizing some of these funds—for example, in the housing industry. The aim of the talks is to find the best solutions so that the World Bank can join in the implementation of tasks resulting from the Strategy for Poland program.

Central Bank Head on Reforms, 'Strategy'

WS2406140094 Warsaw NOWA EUROPA (KONIEC TYGODNIA supplement) in Polish 24-26 Jun 94 p 3

[Interview with Hanna Gronkiewicz-Waltz, president of the National Bank of Poland, by Zbigniew Maciag; place and date not given: "Consolidation and Privatization"]

[Excerpts] [passage omitted] [Maciag] Don't you think the new leadership of the Finance Ministry attaches greater importance to the consolidation of the banking sector than to its privatization?

[Gronkiewicz-Waltz] I think that all Polish banks should be both consolidated and privatized. Both these processes are truly necessary. Our banks, even the state-owned ones, are only small financial institutions compared to the big European banks.

[Maciag] Is it easier to privatize or to consolidate? Which should come first?

[Gronkiewicz-Waltz] If one wants to create one big bank out of several smaller banks, then indeed consolidation is more advantageous. Then, when individual banks are on the stock market, any mergers among them are less likely. For the time being, the role of the giant, but only on the domestic market, is played by Bank Handlowy. Other banks are much smaller. I believe that it would be good if several banks with really strong capital reserves were established. For me, as president of the National Bank of Poland [NBP], it does not make any difference whether I supervise the activity of one bank or the activities of several banks. The important thing is that they are in good financial condition. I am more interested in the problems of small privately owned banks, threatened with bankruptcy, than the problems of state-owned banks, whose functioning is supervised by the owner—that is, by the Finance Ministry.

[Maciag] The authors of "Strategy for Poland" stress that ownership transformations in the banking sector will be perceived by the government as an instrument that enables efficient allocation of resources. In this context, the choice between the form of ownership and efficiency, if such a choice emerges, will be a foregone conclusion: Efficiency will be chosen. Such an approach may mean that it is not worth privatizing any more state-owned banks because right now their efficiency indexes are much better than those of privately owned banks. What do you think of it?

[Gronkiewicz-Waltz] In the long run, the condition of state-owned banks will deteriorate. The experiences of other countries, such as Italy, Austria, and France, show that these banks achieve definitely poorer financial results than their privately owned competitors. For the time being, state-owned banks are characterized by a

lower cost of obtaining money. If we take into account the huge turnover and the large number of accounts, this is perfectly understandable. The costs of obtaining money in privately owned banks are incomparably higher. These banks must attract customers with higher interest rates of deposits, which costs money. However, in a few years' time, state-owned banks would be bound to achieve poorer results than privately owned ones. Such phenomena have been observed to take place in many market economy states. The correct conclusions must be drawn from these experiences.

[Maciag] The first version of "Strategy for Poland" included the suggestion that banking supervision should no longer be exercised by the NBP. The suggestion was later removed. Did it happen at your request?

[Gronkiewicz-Waltz] Yes, it did. There is no reason that this supervision should function outside the NBP. Of the 12 states in the European Union [EU], only in four of them is supervision exercised outside the central bank; however, this is only to a certain degree because, in France, supervision is exercised by a special banking commission; its head is the president of the central bank of this country and his inspectors are the employees. [passage omitted]

[Maciag] The economic program presented by Deputy Prime Minister Grzegorz Kolodko is critical of the activity of the NBP. It accuses the bank of combining the functions of issuing, supervisory functions, and ownership functions, which is not conducive to the proper fulfillment of any of them.

[Gronkiewicz-Waltz] I do not agree with this thesis; it is not really tenable. If we take into account the financial policy, it is the central bank that forces the government to limit the budget deficit, inflation. The fact that the members of the supervision team presented deputies with a good diagnosis of the situation in the banking sectors proves that they stopped pretending that nothing is happening to it.

But, if the state budget is willing to take over banks being supervised by the NBP—for instance, Prosper Bank or Pierwszy Komercyjny Bank in Lublin—I will gladly give them up. The NBP does not have to perform the ownership function. I have suggested many times in the past to the finance minister that state-owned banks, of which he is the owner, should take over trouble-stricken privately owned banks.

[Maciag] Was the NBP consulted over that part of the "Strategy for Poland" program that pertains to reforming the banking sector?

[Gronkiewicz-Waltz] No, it was not. Apparently, one of our departments is said to have been contacted, but there was neither any team formed nor was there an exchange of official letters on the topic. I received the final draft of the program right before a session of the Council of Ministers, and I was asked to take a position on it.

[Maciag] The program's authors announced a gradual reduction in the rate of mandatory reserves. When can the central bank make the first step in that direction?

[Gronkiewicz-Waltz] We must wait for economic figures from the first six months of the year. The inflation level compared with the forecast for the end of 1994 will have a decisive impact. If inflation is low, we will think whether to decrease mandatory reserves and whether to keep reducing interest rates. For the time being, we are not planning on making such decisions. Still, the trend is correct: Along with falling inflation, there should occur a decrease in mandatory reserves and interest rates.

[Maciag] Is it realistic to expect inflation to fall below 10 percent by 1997?

[Gronkiewicz-Waltz] Achieving a singe-digit inflation figure within three years is possible, but it will require tremendous financial discipline. First of all, one must control salaries in the state-owned sector very tightly, regardless of whether we decide to adopt the British or the French model. We cannot allow for an increase in the budget deficit. On the contrary, one must strive to limit its size. That is because a high budget deficit limits the possibilities of financing investments. The central bank's role in financing the budget deficit cannot be significant because that would cause an increase in inflation. Personally, I think we will manage to decrease inflation to below 10 percent, but not before 1998. I presented such a forecast at a meeting of EU representatives in Brussels. At the meeting, West European experts stated that, according to their calculations, we will achieve a single-digit inflation figure in 1998.

[Maciag] Banks have been devoting too much money for financing the budget deficit. What should one do to increase the number of credits for the economy and for individual enterprises over the next few years?

[Gronkiewicz-Waltz] From the standpoint of monetary policies, credit measures by banks are perhaps insufficient. But, in our country, there is the habit of treating credits as something that is given away and that people deserve to get. That is wrong. If there are good projects, banks will finance them. Decreased inflation is bound to decrease the profitability of investing in Treasury bills, and, thus, it will increase the interest banks charge on credits.

[Maciag] For the moment, however, banks prefer to make money on security transactions rather than on providing credits.

[Gronkiewicz-Waltz] By purchasing Treasury bills, banks take a smaller risk. We are not the only country with a budget deficit. The Treasury bills market is developed in many countries with market economies. Naturally, it is competition—banks prefer to buy secure, state-owned securities rather then financing risky ventures. That is why a persistent reduction of the budget deficit is necessary.

[Maciag] How should one encourage the Polish people to save money? Is it possible to have a slower rate of falling interest rates on deposits compared with the rate falling interest rates on credits?

[Gronkiewicz-Waltz] Banks make their living by price margins. We cannot expect them to deliberately decrease their profits. In my view, the Polish zloty should be continuously *overvalued*, if I may say so. That means that creeping devaluation should be lower than inflation. Then we will make sure that it will be profitable to save in zlotys. The central bank has been trying to conduct such a policy. Last year, it was profitable to have zloty deposits in banks, even though not as much as we initially planned. We had to devalue the national currency because of the deepening payment deficit. This year, we will do everything not to allow those who have deposited money in Polish banks to suffer losses. [passage omitted]

Sejm Passes Law on Currency Redenomination

LD2506143194 Warsaw PAP in Polish 1054 GMT 25 Jun 94

[Excerpt] Warsaw, 25 June—The Sejm passed a law on redenomination of the zloty today. With effect from 1 January 1995, "old zlotys" will be gradually replaced by new notes and coins. The new zloty will be divided into 100 groszy, and its value will be the equivalent of the present 10,000 zlotys. The law was passed with 306 votes for, one against, and one abstention. [passage omitted]

Iliescu Plans 'New Consultations' With Parties

AU2406191394 Bucharest Radio Romania Network in Romanian 1300 GMT 24 Jun 94

[Text] In the first part of a news conference by Presidential Spokesman Ambassador Traian Chebeleu today, he assessed Czech President Vaclav Havel's visit to Bucharest, which he described as a special event in the development of international relations between the two countries.

Ambassador Traian Chebeleu went on to read a statement on the so-called invitation to Romania's president from representatives of certain political parties, in which the president is to be summoned before Parliament.

After reasserting that the president will appear before Parliament as often as necessary but solely according to procedures stipulated by the Constitution, Chebeleu said that President Ion Iliescu had initiated actions for new consultations with the leaders of the parliamentary parties. Currently, presidential advisers are engaged in negotiations with the leaders of certain political parties to establish a convenient time for the resumption of the head of state's talks with the parties.

The spokesman also told the journalists that Romanian Foreign Minister Teodor Melescanu, who is currently on a visit to Poland, conveyed a message from President Ion Iliescu to Polish President Lech Walesa. In this the head of the Romanian state accepts an invitation to visit Poland, noting that there is a good chance that this visit will take place this year.

To a journalist's question, Chebeleu replied that the parliamentary strike initiated by the Democratic Convention of Romania represents the members of Parliament's abandonment of their responsibilities toward the electorate and a generalization of a method that has already been used by some parliamentary groups, namely to leave the hall when certain laws are being passed.

Referring to the events in Cluj-Napoca, generated by the archaeological diggings in the area where the statue of Matthias Corvinus is situated, the spokesman said that President Iliescu had suggested to the Cluj mayor that he organize discussions with all the local factors, thus avoiding any escalation of tension in the region, which is viewed by Chebeleu as being artificial. He also added that lately an excessive politicization of certain gestures and actions could be observed and expressed his belief that the situation in Cluj could be solved calmly, after listening to all the sides involved in the dispute, our correspondents informed us.

PNTCD Issues Document on Iliescu Suspension

AU2606203794 Bucharest ROMANIA LIBERA in Romanian 15 Jun 94 p 3

[Document issued by the National Peasant Christian Democratic Party on 13 June; place not given: "Procedure To Suspend President Ion Iliescu—Initiated on 13 June in View of Gathering 167 Signatures of Romanian Parliamentarians"]

[Text] To the Speaker of the Chamber of Deputies; to the Speaker of the Senate:

The undersigned deputies and senators, on the basis of Article 95 of Romania's Constitution, request that you commence the procedure to suspend Romanian President Ion Iliescu from office. The reasons we believe Mr. Ion Iliescu should be suspended from office are as follows:

De facto:

During a recent visit to the town of Satu Mare, President Ion Iliescu made public statements concerning the issue of nationalized dwellings. President Ion Iliescu asserted that, through the court rulings that admitted the claims of the people whose dwellings had been nationalized—to the effect that their properties have been restored and the tenants have been evacuated—"justice has outlawed itself."

President Ion Iliescu displayed revolt against the rapidity with which certain courts ruled in favor of the owners in such litigations, adding that the courts should wait until the new bill [on the legal status of nationalized dwellings] is passed by Parliament and promulgated. At the same time, President Ion Iliescu also asserted that such court rulings should not be carried out.

De jure:

The statements made by President Ion Iliescu are extremely grave because they flagrantly violate several stipulations of the Constitution and a number of laws that ensure the proper functioning of the law-governed state. These stipulations are the following:

1. Article 41 and 42 of Romania's Constitution refers to the right to private property and the right to inherit such property.

2. Article 21 of the Constitution guarantees free access to justice.

3. Article 16, Paragraph 2 of the Constitution, cumulated with Article 21, Paragraph 2 of the Constitution, stipulates that no law may obstruct the right to address justice, in which case President Ion Iliescu situated himself above the law.

4. Article 3 of the Civil Code, which terms as culpable all judges who deny restoring justice by refusing to administer justice, claiming that the law does not stipulate anything, or it is blurred, or insufficient.

5. Article 123, Paragraph 2 of the Constitution and Article 3 of Law No. 92/1992 on the Organization of Justice Courts stipulates that judges are independent and are to submit solely to law.

6. Article 127, Paragraph 1 of the Penal Code, which punishes the infraction of not submitting to justice court rulings, with the application of Article 25 of the Penal

Code, which defines the way in which instigators participate, and Article 27 of the Penal Code, which stipulates that instigators are to be punished according to the law to the extent of real culprits.

The significance of the president's deeds:

1. Article 95, Paragraph 1 of the Constitution stipulates that the Romanian president may be ordered solely if his deeds are of a grave nature.

The public statements made by President Ion Iliescu are of such a nature, as we will prove further. By his statements, President Ion Iliescu:

1. Disregarded two fundamental rights stipulated and guaranteed by the Constitution: The right to private property (Article 41) and the right to inherit such property (Article 42), as well as regulations of the Civil Code stipulating the methods in which those rights can be exerted.

2. Disregarded the citizens' right to free access to justice, as stipulated in Article 21 of the Constitution.

3. By asserting that justice has outlawed itself, he situated himself above the law, which is prohibited by Article 16, Paragraph 2 of the Constitution.

4. By making the aforementioned assertion, he impeded upon the independence of the judges, which is guaranteed by Article 123, Paragraph 2 of the Constitution and by Article 3 of Law No. 92/1992 on the Organization of the Justice Courts, despite the fact that Article 3 of the Civil Code terms as culpable all judges who deny restoring justice by refusing to administer justice in the cases assigned to them, claiming that the law does not stipulate anything, or it is blurred, or insufficient.

The aforementioned assertions of President Ion Iliescu are able to negatively influence the proper functioning of courts and they are an attempt to intimidate and influence the judges.

5. By asserting that such court rulings should not be carried out, President Ion Iliescu called for the court rulings to be disregarded, which is an infraction according to Article 25 cumulated with Article 271 of the Penal Code, in which case Article 27 of the Penal Code is to be applied.

6. President Ion Iliescu's assertions are of an extreme concern because they contradict fundamental constitutional values, as well as the essential attributions of one of the three principal state authorities. Such assertions made by the head of the state endanger the proper functioning of the law-governed state and they represent a dictatorial act and an attempt upon the independence of the judges.

Thus, President Ion Iliescu has also violated Article 1, Paragraph 3 of the Constitution, which stipulates that Romania is a law-governed, democratic, and social state, in which the rights and liberties of the citizens are supreme values, which are guaranteed.

Therefore the continuation of the office of President Ion Iliescu represents a grave danger for the strengthening of the law-governed state and for Romania's democratic evolution.

[Signed] National Peasant Christian Democratic Party [PNTCD]

PDAR Tells Iliescu of Party's 'Discontent'

AU2406185094 Bucharest Radio Romania Network in Romanian 1300 GMT 24 Jun 94

[Text] A press communique faxed to our editorial office by the Romanian Presidency reads as follows:

This morning Romanian President Ion Iliescu received a delegation of the leadership of the Democratic Agrarian Party of Romania [PDAR]. The goal of the meeting was to facilitate direct contacts, during which the president can be briefed about various problems particularly in the economic area and especially those prevailing in agriculture. This political group has also made public those problems in a recent letter to the president and other forums of state power.

On this occasion, the sides proceeded to a broad exchange of views on the problems that Romania is currently facing, concludes the press statement received from the Presidency.

After the meeting Iliescu held at Cotroceni Palace with the PDAR delegation, Victor Surdu, the PDAR president announced in a press statement that during the meeting the party representatives expressed the discontent of the Agrarians with the lack of receptiveness and effectiveness with which the executive acted to solve problems that were repeatedly brought to its attention by the PDAR and asked the head of state to act more firmly, quote, to ensure the appropriate moral and professional performance of the current government team, unquote. Surdu added that the PDAR will continue to get involved in the political life of the country as an independent and decent opposition party.

To conclude, the leader of the Agrarians affirmed, quote, I believe that the dialogue that we held with the country's president, although characterized by a tense atmosphere and the presence of certain disagreements regarding the way in which certain economic and social problems should be approached, was still a useful dialogue. [no reference to end of quotation as heard]

Dissension Among Ethnic Hungarians Escalating

94CH0305A Bucharest ROMANIAI MAGYAR SZO in Hungarian 27 May 94 p 1

[Article by "gyarmath": "The Escalation of Internal Disputes"]

[Text] Since countless events, statements, and press releases have, for quite some time, signaled and reminded the public, it is no secret that diverse views causing tensions

within the Kiralyhagomelleki [Pasul Craiului (Oradea)] Reformed Church District, and between the bishoprics of Nagyvarad [Oradea] and Kolozsvar [Cluj-Napoca] have arisen, and that an increasingly poisonous debate has been evolving, in the course of which the "parties" have not shrunk from going so far as to accuse each other. Except for a few extreme nationalist Romanian language newspapers, the Romanian political press has stayed away from the conflict until now, primarily because they felt that autonomous governing bodies of the church, not the press, were supposed to resolve conflicts within the church, and because disputed issues did not require unsolicited—and, additionally, incompetent—advocates. As we already reported briefly, the practice followed by newspapers unexpectedly changed last week, when an anonymous article appeared in the opposition weekly TINERAMA. Its title: "Laszlo Tokes Is Not a Real Bishop." From a practical standpoint, the article summarizes all of several years of accusations leveled by the "interested parties" against Kiralyhagomelleki Reformed Church District Bishop Laszlo Tokes, which have become known to the greater public, one way or another.

The TINERAMA article is based on a letter addressed to Presidential Counselor Victor Opaschi—with a facsimile of the letter printed and signed by Lugos [Lugoj] parochial Minister Istvan Higyed, Chief Trustee Balint B. Kiss, and Trustee Istvan Csaszar. The alleged intent of the letter is "to clarify things that happened in the Reformed Church in 1989." The letter contains a request to Opaschi "to forward to the signatories a copy of the document in which Mr. Ion Iliescu appointed Mr. Laszlo Tokes to the Temesvar [Timisoara] Reformed Church District—showing the date of the appointment and the capacity of the appointee," "because disagreements have surfaced within the Reformed Church in this regard; moreover, certain documents questioning Mr. Tokes's capacity as a high priest have been submitted to the highest legislative forum of the Reformed Church (the Synod)."

Using this letter as his starting point, the anonymous author of the TINERAMA article states that the December 1989 appointment of Laszlo Tokes was based only on a public statement by Ion Iliescu; this, in turn, confronted the Reformed Church of Romania with the accomplished fact (because the legitimate procedure had been circumvented) of having a bishop as its leader, who had never been nominated by the Synod for that post. Moreover, the author also suggests that presently the Palace of Cotroceni is seeking a solution to overcome this difficulty by giving legal force to the appointment, because "it does not want to let the bishop act on his own, a bishop, who, incidentally, is also attempting to unify the two Reformed Church bishoprics presently in Romania, under his own leadership, of course."

What motivates the Office of the President to support Laszlo Tokes in this regard, the weekly newspaper asks. "In order to provide an appropriate answer to this question, we must, above all, keep in mind the 'catalyzing' role Laszlo Tokes had played in the revolution (whose first beneficiary was President Iliescu), as well as the fact that Virgil Magureanu was Tokes's neighbor during his brief exile (17-22 December 1989) to the Zilah [Zalau] area!", the newspaper explains. "And we must not forget," the author argues, "that whenever the Power 'emanating' from December 1989 experienced problems, Laszlo Tokes always made some forceful anti-Romanian statements (some of these aiming for the dissection of the country), thus diverting public attention from the real problems, providing a pretext for extreme nationalist groups to endlessly recount the watchword 'Hungarian threat.' And indeed, one or two parties—the Romanian National Unity Party [RNEP in Hungarian; PUNR] and the Greater Romania (Romania Mare) Party [NRP in Hungarian; PRM]—were formed, whose existence is based exclusively on the 'Hungarian threat,' and which, by no coincidence, support the Power. In this context, certain assumptions certainly acquire a different meaning: assumptions, according to which Laszlo Tokes's peculiar car accident in Hungary was, in reality, a warning to Tokes by the Hungarian secret service, an organization that had figured out the real game played by Tokes, in support of the Iliescu regime. No doubt, in the opinion of the Bucharest regime, Tokes has fully deserved the bishop's shoulder trimming, even if those may be regarded as illegal," the 13-19 May issue of TINERAMA concludes.

Let us disregard the absurd insinuations made, and conclusions drawn by TINERAMA, the obvious attempt to hammer a wedge between Tokes and the opposition, and Tokes and the revolution, because the answer to these matters is already attached [as published], as provided to this newspaper by the Office of the Bishop, Kiralyhagomelleki Reformed Church District. On the other hand, we must not remain silent regarding our concern about the fact that disputes that disrupt unity, and which, by all means, damage the Reformed Church of Romania, have transcended their normal boundaries; once outside the limits of the church and its forums, the disputes have become uncontrollable, and could produce unpredictable consequences. Once the greater public becomes aware of these disputes, the mutual accusations may rekindle some passions, may become divisive, and therefore may perpetuate the conflict, instead of producing a fortunate ending. We state in advance that for this reason we would not like to become a "forum" for this dispute, and that we are not inclined to publish possible and probable replies, denials, and explanations. But since journalistic practice obligates us to do so, we obviously will publish these things anyway. But only under two conditions. First, we will be strict about publishing the replies of only those personally and directly affected by this issue. Second, replies and denials must not exceed acceptable limitations on length. After all, it would be more fortunate for the already opposed parties to exclude the public which, in essence, has nothing to do with this matter, and to make Christian peace through negotiations. We convey our best wishes for accomplishing this!

Ganic Urges U.S. Senate To Lift Arms Embargo

LD2406213994 Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian 2000 GMT 24 Jun 94

[Text] Speaking in the U.S. Senate in connection with a debate on lifting the arms embargo in Bosnia-Herzegovina, Ejup Ganic, vice president of the Bosnia-Herzegovina Federation, said inter alia that the arms embargo against the legitimate and recognized Government of the Bosnia-Herzegovina Republic was the policy aimed at the therapy that the international community has been employing in Bosnia-Herzegovina in the past two years in response to the aggression. This therapy has led to a catastrophe in my country. The therapy failed simply because the patient is dying and it must be changed.

Repression and genocide against the non-Serb population are part of the program of creating a greater Serbia on the basis of the idea of ethnic cleansing. Unfortunately, 50 years later, Europe is again witnessing the expansion of fascism. We are asking you to lift the embargo so that we can exclusively defend ourselves and ensure a lasting peace. We have not lost the war. The Serbs have tried to destroy our country and us with all available means, but they have not yet succeeded in this.

Our people are capable and knowledgeable, and with their bare hands they are still resisting and keeping our main towns and vital industrial zones under their control. We are asking you to lift the embargo to create conditions for peace and for talks through balance in arms. We need arms in order to survive and not in order to win, because our losses and the genocide we suffered prevent us from speaking about victory.

For this reason we say it again and again: We are not asking your troops to fight for us on the ground, this is our task, but we are begging you not to use big words that translate into small actions.

Izetbegovic Holds Talks With Zubak, Delic, Roso

AU2406175494 Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian 1700 GMT 24 Jun 94

[Text] Alija Izetbegovic, president of the Bosnia-Herzegovina Presidency, today received Kresimir Zubak, president of the Federation of Bosnia-Herzegovina; General Rasim Delic, supreme commander of the Bosnia-Herzegovina Army; and General Ante Roso, commander of the Croatian Defense Council [HVO] Supreme Command. Several issues were covered at this meeting concerning the work of the Joint Command of the Bosnia-Herzegovina Army and the HVO, and the tasks facing it.

UN Spokesman: NATO Planes Fire Flares at Serbs

AU2406162794 Paris AFP in English 1604 GMT 24 Jun 94

[Text] Sarajevo, June 24 (AFP)—NATO airplanes have fired warning flares against Serb forces attacking UN troops in northern Bosnia, the first such action since a truce became effective June 10, a UN spokesman said Friday [24 June]. Dutch UN armoured vehicles were hit by Serb shells Thursday at the village of Teocak, east of Tuzla, while escorting a humanitarian aid convoy, United Nations Protection Force (UNPROFOR) spokesman Major Rob Annink said. "Air presence was requested and aircraft dropped flares as a warning signal," he explained. There were no injuries.

The request went to the UNPROFOR commander in Bosnia, Lieutenant General Michael Rose, who asked one of the regular North Atlantic Treaty Organisation air patrols in the region to approach and fire the flares, said Annink. He did not request full-scale air intervention which would have required the agreement of General Bertrand de Lapresle, commander of UN troops in all of former Yugoslavia, and UN special representative Yasushi Akashi. Both Serb and Moslem artillery have remained active despite the truce around Mount Ozren, in northern Bosnia, with UN observations posts among the targets, the major said.

In particular, he referred to an attack on a post in Moslem-held territory east of the mountain, which was hit by Serb artillery, and a Nordic Battalion attacked by light arm fire. There were no injuries or damage, he said. Fighting in the Bihac enclave in western Bosnia, between the mainly Moslem Bosnian Army and a breakaway Moslem group, has died down but Serb forces had fired 160 shells against the army in the region, he said.

There were fewer ceasefire violations in the Bosnian capital Sarajevo, most of them at the airport. A Serb policeman was killed by a Bosnian sniper and two Bosnian soldiers were wounded by Serb bullets in the town, he said. The Bosnian Serb agency SRNA quoted a local radio report saying the Bosnian Army had launched an artillery attack against the strategic Serb-held town of Doboj Friday. "Several shells" had fallen on the town which was under general alert, the agency said.

Serbs Deny NATO Strikes

AU2406145994 Belgrade Radio Beograd Network in Serbo-Croatian 1300 GMT 24 Jun 94

[Report by Marica Lalovic]

[Text] We learned from the republic of Srpska army today that it has no information on any NATO aircraft action on Serbian positions or any part of the territory of our republic yesterday, today, or last night, as asserted by UN spokesman Major Rob Annink at a news conference in Sarajevo this morning. He said that the members of UNPROFOR [UN Protection Force] called for support

by NATO aircraft, which fired warning missiles at the positions of the Serbian fighters and the Serbian territory.

At the same time, the Army has denied the statement by Rob Annink that Serb forces yesterday attacked a Danish humanitarian convoy near Teocak. Despite the fact that the convoy was not announced, it arrived on the Muslims territory without problems, it unloaded humanitarian aid, and went back, again without problems.

Serbs Blame Muslims

LD2406213094 Belgrade TANJUG in English 2053 GMT 24 Jun 94

["Pool" item]

[Text] Belgrade, June 24 (TANJUG)—Moslem forces, not Serb, fired on a convoy of the U.N. Protection Force (UNPROFOR) Thursday at a place called Teocak, east of the town Tuzla, northern Bosnia, a local Bosnian Serb military command set out Friday [24 June]. The statement came as reaction to UNPROFOR spokesman in Sarajevo Rob Annink's statement that the Serb forces used mortars to attack UNPROFOR vehicles escorting a humanitarian convoy, and which then invited NATO planes "air support".

The Serb military command statement said "members of the Bosnian Serb Army did not open fire" on the convoy—which, as specified, was not previously announced—but that "a mortar mine was fired on the UNPROFOR vehicle by the Moslem forces stationed in the occupied Serb village of Nikolic, not far from the Serb positions."

The local Serb command denied also that "NATO air force combat activity was registered" subsequently in the Teocak region. Immediately after the convoy attack, NATO air force began overflights of Serb Positions, but did not engage in combat activity, the statement said. U.N. Special Envoy Yasushi Akashi's spokesman, Michael Williams, who met in Pale (near Sarajevo) Friday the Bosnian Serb Republic (R.S.) President Radovan Karadzic, denied reports that NATO air force was engaged Thursday in combat missions on Serb territory in the Teocak area.

Explaining there had been an inaccuracy in the English translation, Williams said NATO planes overflew the said area, but fired no warning missiles. They only gave warning signs, he said. U.N. secretary-general's spokesman Joe Sills, as TANJUG New York correspondent set out, confirmed Friday news agency reports that the Bosnian Serb forces opened mortar and machine-gun fire Thursday near Teocak on a humanitarian convoy for which reason, as he said, NATO planes fired a number of warning missiles.

One mortar mine exploded some twenty meters from an armoured personnel carrier escorting the convoy, but there were no casualties, said Sills. He noted that this was not classical air support to UNPROFOR and that for this reason no approval was requested from Akashi for air strikes.

Karadzic Criticizes International Plan

LD2606150494 Belgrade TANJUG Domestic Service in Serbo-Croatian 1310 GMT 26 Jun 94

[Text] Banja Luka, 26 Jun (TANJUG)—The first generation of officers of the republic of Srpska army and the Serb army of Krajina in Croatia was promoted at a ceremony in the Center of Military Academies in Banja Luka today. The first officers who attended the academy were promoted to the rank of lieutenant colonel. The second generation of noncommissioned officers of the two armies were also promoted.

The ceremony was attended by Radovan Karadzic, supreme commander of the republic of Srpska army and president of the republic of Srpska, Colonel-General Ratko Mladic, chief of general staff of the republic of Srpska army, Major General Milan Celeketic, chief of general staff of the Serb army of Krajina, many other guests, and thousands of Banja Luka citizens, as well as the new officers' families and friends.

Addressing the newly promoted officers, Radovan Karadzic said that the humiliation of allowing the international community to draw its maps and offer them under the "take it or leave it" principle was unacceptable. "We want to end this war. Our aim so far has been to defend our own territory, but if our enemies and the international community are forcing us into a counter-offensive, we will not stop," Karadzic stressed.

Colonel General Ratko Mladic, Major General Milan Celeketic, and Major General Slavko Lisica, head of the center of military academies in Banja Luka, also spoke at the ceremony. The Center of Military Academies in Banja Luka was opened last year in the premises of the former Petar Drapsin Training Center for Armored-Motorized Units. Personnel from the republic of Srpska and the republic of Serb Krajina are trained there to become officers and noncommissioned officers.

Promotes Senior Army Staff

LD2406164994 Belgrade TANJUG Domestic Service in Serbo-Croatian 1614 GMT 24 Jun 94

[Text] Sarajevo, 24 June (TANJUG)—On the occasion of the Day of the Patron Saint of the army of the republic of Srpska and the state holiday of St. Vitus' Day, Radovan Karadzic, the president of the republic of Srpska, has promoted 12 officers of the republic of Srpska army, the republic of Srpska president's office announced in Sarajevo today. Lieutenant Colonel General Ratko Mladic has been promoted to the rank of colonel general.

Major Generals Manojlo Milovanovic, Milan Gvero, and Djordje Djukic have been promoted to the rank of lieutenant colonel general, and Colonels Mico Grubor,

Zdravko Tolmar, Jovan Martic, Stevan Tomic, Mico Vlaisavljevic, Budimir Gavric, Milutin Skocajic, and Bozo Novak to the rank of major general. The officers were promoted in the recognition of their contributions and successes in organization, managing, and commanding the republic of Srpska army.

Insists on Lifting of Sanctions

LD2506215694 Belgrade TANJUG Domestic Service in Serbo-Croatian 2113 GMT 25 Jun 94

[Text] Banja Luka, 25 June (TANJUG)—Republic of Srpska president Radovan Karadzic said in Banja Luka this evening that the Serb republic would refuse to sign a peace agreement for former Bosnia-Herzegovina unless the signature meant an automatic suspension of sanctions against the Federal Republic of Yugoslavia. "Despite our desire for peace and readiness to make a sacrifice, we will not allow the Western world to destroy our brothers in Serbia and Montenegro," Karadzic said.

Assessing the current policy by the great powers toward the republic of Srpska, he said that despite the horrific pressure the West's policy was more favorable than last year. According to Karadzic, the Western powers have finally realized that the fate of "the great former Yugoslavia" must be experienced by former Bosnia-Herzegovina which was always singled out as "little Yugoslavia." This means that a unitary Bosnia is out of the question.

Speaking about a possible exchange of territories with the Muslim-Croat side, Karadzic said that this was possible and that perhaps it was inevitable, but the people's assembly of the republic of Srpska and the whole nation if necessary would have the final say on this matter. According to Karadzic, representatives of the "contact group" for the former Bosnia-Herzegovina were clearly told that the Serbian side did not have a great deal of faith in them, but that the Serbian opinion would depend on the final solutions they offered. If rumors coming from the contact group can be trusted, it offers to create a fragmented republic of Srpska with no firm border on the Sava, Drina, or Una Rivers or around Sarajevo, which is completely unacceptable.

"If the Muslims want to enlarge their territory around Sarajevo, they must make some concessions to us in eastern Bosnia, namely Gorazde, Srebrenica, and Zepa. It is completely clear to us at the moment that America is dictating conditions that we cannot accept, which automatically means the continuation of the war."

"America and Germany have openly sided with the Muslim-Croat side, while Russia is openly neutral. It is precisely this that is encouraging the Muslims, who are now launching fierce offensives on Mount Ozren and toward the Serb-held town of Doboj, while we are defending ourselves. If this continues, we will switch to an active defense and push them back from the current lines of separation," Karadzic said in conclusion.

In addition to Banja Luka businessmen, the talks were attended by Nikola Koljevic, vice president of the republic of Srpska, and Velibor Ostojic, chairman of the Serb Democratic Party of Serb Lands.

Army Chief Delic Interviewed on Situation

LD2606224194 Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian 2000 GMT 26 Jun 94

[Text] [First announcer] General Rasim Delic, chief of staff of the Bosnia-Herzegovina Army, has been interviewed by Slovenia Radio and TV. Coming up are excerpts from this interview.

The first question asked by the Slovene Radio and TV reporter was: What is the current situation in the battlefields? You have recently toured the front lines. Delic replied:

[Second announcer] As a matter of fact, I am almost constantly touring the frontlines because that is the only way to be in command and in charge of your units. This is not merely a matter of visiting confrontation lines. This is rather a matter of gaining an insight into the situation and of carrying out the orders and decisions I issue on behalf of my general staff to the units under my command. We should say we expected that this signed cease-fire might hold in combination with those demands we had raised as a condition for our signing it—that is, that the problem of Gorazde ought to be resolved, that the NATO ultimatum and UN Security Council resolutions are carried out and that the Serb aggressor's combat operations in other areas of Bosnia-Herzegovina should come to an end.

What we are finding on the ground, though, indicates that these fundamental demands have not been honored and this in itself means that no basic conditions have been created for this agreement to come into being. We were ready, we had prepared maps, we had specified locations for liaison officers' observation points. The Serb side, however, did not accept this.

[First announcer] He stated that this failure to comply with the cease-fire was yet another reason for the Bosnia-Herzegovina Army and the Croat Defence Council [HVO] to maintain their combat preparedness at an increased level. There was also a question about new weapons. Asked whether weapons were finding their way to Bosnia-Herzegovina and if so, how, General Delic said:

[Second announcer] Apart from what has been captured from the enemy, one should say that most of the weapons, including those shown on TV, have come out of Bosnia-Herzegovina's factories. These are the main sources of our weapon supplies, as the embargo is after all being implemented as regards the Bosnia-Herzegovina Army as opposed to the other countries of the former Yugoslavia. Peace would come sooner if there were no embargo despite the fact that many are saying that the opposite would take place. If there were a

balance of weapons and if the Serb aggressor were to start suffering defeats, that would force him to change his policy or to replace the people who have bloodied their hands as he would want to have this problem solved.

[First announcer] One of the questions was how the joint headquarters of the army and the HVO is operating. General Delic said:

[Second announcer] It ought to be said that the joint headquarters has not been set up [5-second transmission break] cannot order. The essence and the aim of this joint headquarters is to speed up the resolving of the remaining issues and further issues in the relations between the army and the HVO and to seek solutions. In other words, this is a coordinating body which suggests solutions in these spheres. The intention behind the establishment of this headquarters and new bodies within the joint headquarters was to gradually create a joint, unified command body of the federation's future army.

[First presenter] The next question was: Do you believe that there will be no more clashes between the Bosnia-Herzegovina Army and the HVO?

[Second announcer] It is logical to believe that they should not take place,as all political conditions have been created for sorting out things on the ground in the way they should be sorted out, to the satisfaction of both peoples. I personally think there is no reason for such a clash. Hence, our shared goal is to fight the Serbian aggressor.

[First announcer] The last question: Every war has its own logic, its roots, its beginning , its culmination and, of course, its end. Which stage has the war in Bosnia-Herzegovina reached? General Delic said:

[Second announcer] In terms of balance of powers, I personally think that the war has reached its peak. I believe that the Serbian aggressor has no longer the potential to reinforce its ranks. The Bosnia-Herzegovina Army has the strength to embark on the liberating phase of armed struggle. This is, of course, a simplified view as it does not take account of international factors and their influence on the armed struggle in Bosnia-Herzegovina. This has hitherto been a very important element. In any case, in my opinion, the Bosnia-Herzegovina Army has finished the defensive phase of war and is now entering the phase of war for liberation. Anyway, preconditions have been created for pressing ahead. Obviously, this renders the Serbian aggressor impatient in a sense as this creates pressure for finding a solution for Bosnia-Herzegovina as soon as possible—hence, everything they have occupied by force and aggression in Bosnia-Herzegovina may come under threat, Army General Rasim Delic, chief of staff of the Bosnia-Herzegovina Army, said at the end of the interview with Slovenia Radio and TV.

UN Seeks Gorazde Meeting With Military Leaders

AU2706115094 Paris AFP in English 1131 GMT 27 Jun 94

[By Bruno Franceschi]

[Excerpts] Sarajevo, June 27 (AFP)—UN officials were seeking a meeting with Bosnian Serb and Moslem military leaders Monday following the killing of a British UN soldier by suspected Serb gunners and other attacks on peacekeepers in the eastern enclave of Gorazde. Commander Eric Chaperon, spokesman for the UN Protection Force (UNPROFOR), said the unidentified soldier was killed Sunday evening at his observation post in Gorazde, probably by Serb gunners. His death brought to 44 the number of peacekeepers killed in Bosnia-Hercegovina in the past two years. "Sunday was a really bad day for the UN in Gorazde," Chaperon said. He said UN patrols in the region had come under repeated attack by Serb and Moslem gunners throughout the weekend, but no further casualties were reported. [passage omitted]

Elsewhere, artillery duels continued Monday in the northern Mount Ozren region, where the Moslem-led Bosnian army has been waging a major offensive against Serb forces, but the fighting was less intense than over the weekend, Chaperon said. "It is clear that the Bosnian troops have made territorial gains," he said although he couldn't provide any more details.

The Serbs have reportedly evacuated several villages in the area in the face of the Moslem offensive.

Chaperon said UN military observers deployed in the north were reporting heavy shelling from both sides. The observers were finding it increasingly difficult to accomplish their mission as they are not being granted access to the battle zones, he said. The fighting is in a strategic zone just south of a thin land corridor linking Serb-conquered territory in northeast and western Bosnia. [passage omitted]

No Muslim-Croat Joint Army Command Yet

LD2606175094 Belgrade TANJUG in English 1719 GMT 26 Jun 94

[Text] Belgrade, June 26 (TANJUG)—The Moslem-Croat federation in Bosnia has not yet appointed a joint army command, but only a joint staff which has no command authority, Moslem-controlled Radio Sarajevo quotes Moslem Army Commander Rasim Delic as saying on Sunday [26 June]. The joint staff is to speed up the solving of the remaining problems in relations between the Moslem and Bosnian Croat armies, he added. The setting up of a joint command is envisaged under the Vienna accords which put the finishing touches to the Washington agreement signed by Bosnia's Moslems and Croats in March under strong U.S. pressure.

Two days ago, Bosnian Croat Army representatives turned down an offer of separation along the lines of contact with Moslem formations in the upper flow of the Vrbas in central Bosnia, on the grounds that it was much too early for such a move to be made. The lack of trust between the local commanders is not surprising in view of the fact that the memory is still green of bitter battles fought by the two sides in central Bosnia for a year, until they were curbed by the Washington agreement.

New Deputy Prime Minister on Appointments

LD2406220994 Mostar Croatian Radio Herzeg-Bosna in Serbo-Croatian 1600 GMT 24 Jun 94

[Text] Jadranko Prlic is the new deputy premier of the Federation, and therefore vice president of the Bosnia-Herzegovina government, and defense minister. Here is what he told our correspondent Ivica Tomica about the tasks facing the man with three important functions in the Federation and the government of the Croat republic of Herzeg-Bosna, in an exclusive interview for Croatian Herzeg-Bosna radio.

[Begin recording] [Tomica] Asked whether the newly appointed deputy premier of the Federation and defense minister will keep his post as prime minister of the Croat republic of Herzeg-Bosna, Prlic said:

[Prlic] There are in fact three positions here. In line with the constitution of the Bosnia-Herzegovina Federation, the government has a premier and a deputy premier, so that, speaking about the Federation's government, I am deputy premier, and, speaking about the government of the Republic of Bosnia-Herzegovina, I am deputy prime minister [podpredsjednik vlade], and I am consequently defense minister in both cases.

The government of the Croat republic of Herzeg-Bosna and Herzeg-Bosna itself will continue functioning in the interim period. There will be many problematic relations and decisions, but one thing must be understood: Life goes on both through inertia and through things which have already been initiated.

I would like to say something—I will say this next week in Sarajevo: the Croats have entered the Federation of Bosnia-Herzegovina with a considerable dowry. They had a regulated legal system, a regulated system of payment of soldiers, police force, state administration, health service, education system, judiciary, and care for the families of the dead and wounded members of the Croatian Defense Council [HVO]. I am speaking about all these things which have not at all been regulated on the territories which have until now been under the control of the Republic of Bosnia-Herzegovina. There is a great imbalance in that respect. We will—I will personally—demand very high standards for the organization of the state administration and the full implementation of the Federation's constitution. This is the basis on which I, in my capacity as deputy premier, will not back down. Consequently, I believe that all other members of the Government of Croatian nationality will do the same. I believe that other government members will support this stance as well.

[Tomica] What will you do as the new defense minister?

[Prlic] At this moment, as defense minister of the Republic of Bosnia-Herzegovina, I am nominally the defense minister of the Bosnia-Herzegovina Army. This situation should be solved because the HVO has its own Defense Ministry and its own system of logistics, and everything else a military force needs. I will try to attain gentleman's agreements in that respect, which will clearly specify all issues. I believe that I should be the defense minister of a joint command. All the many variations were set up when the Federation's constitution was signed and relevant military agreements which followed the signing. [end recording]

Muslims Boycott Truce Extension Talks

LD2506201194 Belgrade TANJUG in English 1837 GMT 25 Jun 94

["Pool" item]

[Text] Belgrade, June 25 (TANJUG)—Moslems refused to meet Bosnian Serb army representatives for U.N.-sponsored talks at Sarajevo airport on Saturday [25 June]. U.N. spokesman Rob Annink said the United Nations would try to organise another meeting between the Bosnian belligerents on Sunday to negotiate an extension to the four-month truce, REUTERS said. U.N. observers blamed Moslem snipers for the death of a Serb woman and a Serb soldier in Sarajevo on Friday. Annink told reporters that Moslem snipers were responsible for a number of ceasefire provocations and violations on Friday.

Moslem forces have been disregarding the one-month ceasefire, which was signed in Geneva on June 8 and took effect on June 10, and have continued to attack Bosnian Serb territories. On Thursday, Moslem forces commander Rasim Delic urged the new allies—Bosnian Croats—to mount an all-out war against the Serbs. Moslems and Croats, who had fought bitterly for territories since early 1993, succumbed to strong U.S. pressure in Washington on March 18 and agreed to form a federation in Bosnia, which should eventually form a confederation with neighbouring Croatia.

British Soldier Killed at Gorazde Checkpoint

LD2706091794 London PRESS ASSOCIATION in English 0851 GMT 27 Jun 94

[By Teilo Colley, PA News]

[Text] A British soldier has been shot dead in Bosnia, the Ministry of Defence [MoD] said today. Private Sean Richard Taylor, 20, of Cleveland, was a member of the Duke of Wellington's Regiment. He was killed last night at an observation point at Gorazde, a Muslim enclave in the east of the country which is surrounded by Bosnian

Serb forces. He was the sixth British soldier to die in Bosnia. The shooting came a few days after two British soldiers were injured when an explosion damaged their armoured vehicle six miles south-west of Maglaj in central Bosnia. The MoD said Pte. Taylor was manning an observation post which came under attack. He died from a single bullet.

UN Plane Possibly Hit by Serbian Fire

LD2606161394 Mostar Croatian Radio Herzeg-Bosna in Serbo-Croatian 1600 GMT 26 Jun 94

[Text] Croatian Defense Council reconnaissance units deployed on the Orasje-Samac front yesterday noted a low flight by a UN plane over the Posavina corridor. The republic of Srpska army opened fire on the plane with antiaircraft weapons. According to the same source, it is likely that the plane was hit and it flew away toward Gradacac.

Serbian Minister: Solution 'in U.S. Hands'

LD2606152494 Belgrade TANJUG Domestic Service in Serbo-Croatian 1447 GMT 26 Jun 94

[Text] Kragujevac, 26 Jun (TANJUG)—Aleksa Buha, foreign minister of the republic of Srpska, told Kragujevac radio today that "a conceptual muddle" regarding the resolution of the crisis in Bosnia-Herzegovina continues. To the correspondent's remark that the formula is "take it or leave it" and that the lifting of the arms embargo and a continued implementation of the sanctions are proposed if the Serbian side does not accept the formula, Buha said that the international community has been warned hundreds of times that the conflict could then assume unforseeable proportions, as Russian Foreign Minister Andrey Kozyrev has warned.

"I do not believe that the international community will allow things to get out of hand and take that course if the plan is not accepted. It is more likely that pressure will be put on all sides to reach a compromise, and perhaps a solution will be found within the new proposal, but with certain corrections. I believe the whole matter is in U.S. hands," Buha said. He said everything will become clearer in the next fortnight, after a series of talks.

"The solution lies in the recognition of the three peoples' right to self-determination, that is, to having their states and territorial borders, and after that all sovereign nations would establish the sort of relations that suit them," Buha said.

Fierce Inter-Muslim Fighting Continues

LD2606115694 Belgrade TANJUG in English 1053 GMT 26 Jun 94

["Pool" item]

Petrovac, June 26 (TANJUG)—Fierce inter-Muslim clashes in the Cazin Krajina, north-western part of the former Yugoslav republic of Bosnia-Herzegovina, are in their fifteenth day. Radio Velkaton, based in Velika Kladusa, the centre of the Muslim autonomous province of West Bosnia (APZB), reported on Sunday that troops loyal to fundamentalist leader Alija Izetbegovic were not chosing means in an effort to enter the territory held by APZB forces. According to the same source, there are dead, wounded and captured on both sides.

Radio Bihac, held by Izetbegovic's supporters, said that forces loyal to APZB President Fikret Abdic unsuccessfully attempted a number of infantry breakthroughs on the night of June 25-26 and Sunday morning. The APZB was proclaimed in 1993 on the basis of the outcome of a referendum held in the Cazin Krajina, which is predominantlx populated by Muslims. Shortly after, President Abdic, a successful local businessman, signed peace accords with the Bosnian Serbs and Croats.

There followed an outbreak of fighting between APZB troops and troops loyal to Izetbegovic. Several hundred people have been killed in the inter-Muslim fighting.

'Intensive' Muslim Attacks Reported in Doboj

LD2606183994 Belgrade TANJUG Domestic Service in Serbo-Croatian 1757 GMT 26 Jun 94

[Excerpt] Doboj, 26 Jun (TANJUG)—Muslim forces have resumed their intensive attacks on Serbian positions and residential areas along all fronts in the Doboj area, the information service of the republic of Srpska army's 1st Krajina Corps said this evening. The fiercest Muslim attacks are taking place on the Ozren-Vozuca front. In addition to several unsuccessful attempts to break through Serb defense lines in the southwestern part of the Ozren battlefield, the Muslim units have also launched fierce attacks on the Serbian villages of Stanic Rijeka and Karanovac on the right bank of the river Spreca and on Alica Naselje and Badinovici in the eastern part of Ozren. [passage omitted]

UN Observers Foresee Battle for Corridor

LD2606164394 Belgrade TANJUG in English 1632 GMT 26 Jun 94

[Text] Belgrade, June 26 (TANJUG)—Moslems have been attacking Serb positions south of Doboj (northern Bosnia) for weeks, violating the June 10 truce, a U.N. spokesman said in Sarajevo on Sunday [26 June]. Major Rob Annink, spokesman for the U.N. Protection Force (UNPROFOR), is quoted by REUTERS as saying that the '(Moslem) army seems to have gained some territory around Zavidovici, about three to four kilometres worth.' Annink said that the Moslems had captured some territory also around Ribnica, Serb town near Tuzla in the north, on the road to Sarajevo.

U.N. observers registered 1,700 explosions between Ribnica and Doboj, a stretch of 45 kilometres, on Saturday. Observers believe that the fighting is a prelude to a full-scale battle for control of the northern corridor through the Posavina (Sava river valley) region which

links the east and west of the Bosnian Serb republic. Flouting the one-month Bosnia-wide truce, Moslem Army Commander Rasim Delic on Thursday urged that the Moslems and their new allies—the Croats—join forces and mount an all-out war against the Serbs.

Croatian Enclave Under Serbian Artillery Attack

LD2606110394 Zagreb Radio Croatia Network in Serbo-Croatian 1000 GMT 26 Jun 94

[Text] One civilian was killed and three injured in last night's Serb artillery attack on Usora [Croatian enclave in northern Bosnia]. Doctors in Tesanj war hospital are fighting to save the lives of the wounded. There is fresh damage to residential buildings. Serbs are heavily shelling locations adjacent to the front line. From their strongholds in Putnikovo Brdo, Zeravica, and Stanovi, Serbs were shelling defense lines and the free Usora territory with mortars, tanks, and long-range shells until late last night. They also attempted an infantry breakthrough but Usora defenders prevented it. Fresh explosions were heard in the free Usora territory again this morning.

Muslims Continue Firing on Serb Positions

LD2506131894 Belgrade TANJUG in English 1248 GMT 25 Jun 94

[Text] Zvornik, June 25 (TANJUG)—The Moslem forces continued firing on positions of the Bosnian Serb army in the past 24 hours in the northern, western, central and other parts of the Bosnian Serb republic. This is a flagrant violation of the agreement reached in Geneva by the two warring sides to refrain from military activity and which entered into force on June 10. The Moslem forces strongly attacked with all kinds of weapons including heavy artillery the area of Srbobran (former Donji Vakuf) and Mt Vlasic in central Bosnia-Herzegovina, TANJUG learns from Serb military sources.

A number of attacks were also registered in the area of Teslic, Doboj, Ozren, Gradacac, Orasje and Trebava, in northeastern Bosnia-Herzegovina. Moslem armed action was also registered in other northeastern parts of Bosnia—in the Olovo-Kladanj direction, in the area of Mt Majevica and in the Zvornik area. Moslems launched artillery and mortar attacks on the town of Teslic without inflicting any casualties but causing considerable material damages on civilian facilities.

Joint forces of the Croat Defense Council (HVO) and the regular Croatian troops use anti-aircraft guns in their attacks on the Orasje front. The Moslems tried to infiltrate a sabotage-terrorist group in the Orasje part of the front Saturday morning but the group was routed, the press center of the First Krajina Corps of the Bosnian Serb army reports.

Moslem action did not stop along the Bihac-Krupa confrontation line in western Bosnia-Herzegovina, Serb military sources state. Moslems also continued attacks on Serb territory from the direction of Gorazde, Moslem enclave in eastern Bosnia which has been declared a safe area by the United Nations.

Islamic 'Terrorists' Reportedly Arrive

LD2406140094 Belgrade TANJUG in English 1229 GMT 24 Jun 94

["Pool" item]

[Text] Belgrade, June 24 (TANJUG)—Some 400 Iranian terrorists have arrived in the former Yugoslav republic of Bosnia-Herzegovina over the past month alone, writes the Belgrade magazine INTERVJU. This evidently shows that the Islamic world is ready to openly support Bosnian Muslim leader Alija Izetbegovic, it says. The terrorists are sent to Bosnian (by way of the Croatian capital Zagreb and the port of Split) to illegally arm the Muslim troops loyal to Izetbegovic and train them for terrorist actions, the paper writes.

As admitted by Izetbegovic's rival Fikret Abdic, the first group of about 2,000 mercenaries and terrorists from Islamic countries arrived two years ago and were deployed mostly in the area of Zenica and throughout central Bosnia. Abdic is the leader of Muslims in western Bosnia who do not recognize the fundamentalist Muslim authorities in Sarajevo.

The United Nations Protection Force (UNPROFOR) and Izetbegovic's ambassador to the U.N. Muhamed Sacirbej claimed at the time that the group included not more than 'several hundred' mujaheddin.

The Turkish daily MILLIYET last year for the first time mentioned about 1,300 fighters from Iran, Libya, Tunisia, Algeria, Egypt, Turkey, Afghanistan, Pakistan, Malaysia and Syria in Bosnia.

Alongside with the illegal arrival of mercenaries, UNPROFOR has been including in its force an increasing number of troops from Islamic countries. About 1,500 Turkish, 3,000 Pakistani and 1,200 Bangladeshi troops are expected to join U.N. peacekeepers in Bosnia next summer and autumn.

Last summer, Washington advised all U.S. nationals not to travel to former Yugoslavia because they could become the target of Islamic extremists from the ranks of the Iranian hezbollah, INTERVJU writes. It also cites the opinion of an expert for terrorism in the U.S. Congress, Joseph Bodenski, who has described the Balkans as Iran's springboard for Europe. The paper also cites a part of Bodenski's report to the Congress which said that more than 50 hezbollah experts had been sent from Balbec to Bosnia in November 1992 to train local troops and carry out terrorist operations.

The objective was to deploy in Bosnia a brigade of 2,000 Iranian commandos and prepare the situation for a military conquest in the Balkans, and later in Europe. Miroljub Jevtic, an expert in Islam at the Belgrade faculty of political science told INTERVJU that 'The

arrival of hezbollah to Bosnia and the radicalization of Izetbegovic's army is yet another indicator of the defeat of the U.S. and Western European policy in former Yugoslavia.' Jevtic says that Izetbegovic has tricked the U.S. and Europe into believing that the Bosnian Muslims, like the Europeans, would not accept Islamic fundamentalism and terrorism as a form of political struggle for an Islamic state in Europe, and later, under pressure to accept peace, threatened the West with a new war.

After Geneva peace talks two weeks ago, Izetbegovic made threats to the West saying that he was prepared to use a secret weapon against it, i.e. to raise the entire Islamic world, if his territorial demands were rejected. Radical international organizations 'Muslim Brothers' and 'Salah Jedid' have also been cooperating with the Sarajevo government.

Under the earlier communist Yugoslav regime, the organizations provided schooling for their members in several Yugoslav towns and had headquarters in Sarajevo.

Tudjman Discusses Serbs With Owen, Stoltenberg

LD2506181294 Zagreb Radio Croatia Network in Serbo-Croatian 1900 GMT 25 Jun 94

[Text] Croatian President Franjo Tudjman received international peace mediators David Owen and Thorvald Stoltenberg in the presidential palace this evening. After one hour of talks, Lord Owen said they discussed many issues of mutual interest, most important of which was the resumption of talks between the Croatian Government and the Serbs from the Croatian [UN] protected areas. Owen did not specify a date for the talks, but he expressed the hope that they will take place soon.

Owen on Danger of 'All-Out War'

LD2606112594 Belgrade TANJUG in English 1032 GMT 26 Jun 94

["Pool" item]

[Text] Zagreb, Jun 26 (TANJUG)—Lord David Owen, the European Union's mediator for the former Yugoslavia, has warned of a danger of the conflicts in Croatia and Bosnia-Herzegovina turning into an all-out war against the Serbs in both of the former Yugoslav republics.

Lord Owen and the other co-chairman of the international conference on the former Yugoslavia, U.N. mediator Thorvald Stoltenberg, arrived in the Croatian capital of Zagreb on Saturday evening for talks with Croatian President Franjo Tudjman.

Lord Owen told the press in Zagreb that "if things went wrong in Bosnia, there is always a danger of the Bosnian and Croatian Serbs link-up, and (of) the Croats and Muslims, and another big war involving both Bosnia and Croatia".

Serbs proclaimed their national states on historically and ethnically their territories in Croatia—the republic of Serb Krajina (RSK), and in Bosnia-Herzegovina—the Srpska republic (R.S.) in late 1991 and 1992, respectively, that is, after the two republics forcibly seceded from the former Yugoslav Federation.

Lord Owen said that the main topic of the Zagreb talks was how to renew the talks between the RSK Serbs and Croatian authorities.

Lord Owen set out that no date had been set for a new round of Croat-Serb talks, which were put off last on June 16.

The international negotiator underscored that the talks must be held separately from those between the Bosnian Muslims, Serbs and Croats.

The co-chairmen of the international conference on the former Yugoslavia visited the capital of The Former Yugoslav Republic of Macedonia (FYROM), Skopje, and Belgrade before arriving in Zagreb. They conferred with FYROM President Kiro Gligorov and President Slobodan Milosevic of Serbia.

RSK Official on 'Tense' Relations With Zagreb

LD2606105294 Belgrade TANJUG Domestic Service in Serbo-Croatian 0002 GMT 26 Jun 94

[Text] Knin, 26 Jun (TANJUG)— Branko Vojnica, speaker of the republic of Serb Krajina [RSK] assembly, has said that "relations with Croatia have become very fragile and tense."

"Every day we listen to the threats of Croatian leaders that they will take Krajina by force. We do not underestimate these threats, although in most cases they are caused by internal instability in the Republic of Croatia and by the fact that President Tudjman himself is trying to mobilize Croats politically and in general, hoping to remain in power in this way," Vojnica told a TANJUG correspondent. He added: "The fact that they are arming themselves with fighter planes and helicopters is also not unknown to us."

"We have convened a session of the assembly for 1 July and one of the items on the agenda—apart from revisions of certain laws relating to the system—will be an initiative of the assembly's defense committee; that is, our stand that the RSK army must be given its place in a system which would guarantee its citizens peace and stability and which would guarantee that Croatia's threats will not be realized," the RSK parliament speaker declared. He added: "The priority task of the RSK assembly and government is the defense system and the consolidation of ties with Serbia, Montenegro, and the Srpska republic."

Commenting on RSK prime minister Borislav Mikelic's visit to Italy, Vojnica said: "The aim of the visit is to examine economic ties and exchange views on issues of mutual interest. We do not intend to bypass the issue of the provisions of the Ossimo Agreement. We support Italy's stands on the revision of the Ossimo Agreement; this has now become a public issue in Italy. We are against manipulation by anyone where Yugoslavia is concerned and where the guarantees that existed earlier are concerned. Everything has been disrupted, no one recognizes Yugoslavia, and horrific sanctions have been imposed upon it."

Turkish Defense Ministry Delegation Visits

LD2606201194 Zagreb HTV Television in Serbo-Croatian 1730 GMT 26 Jun 94

[Text] A delegation of the Turkish Defense Ministry, led by Colonel General Teoman Ekran, this morning arrived on a two-day visit to the Croatian Defense Ministry.

They were welcomed at Zagreb airport by their host Brigadier General Antun Tus, military adviser to the Croatian president.

On the first day of their visit to Croatia the Turkish delegation visited the naval institute in Zagreb.

[Begin recording] [Tus] The aim of the visit is come to know each other better, to see at what technical and technological level we are both at, what production lines we have, what expertise and scientific potential we have and to achieve some cooperation in future related to the development and production of certain systems included in general economic programs and, certainly also, some programs which can be significant for the defense of the country. [end recording]

Questions related to the security in this part of Europe were also discussed. Croatia's integration in Partnership for Peace as soon as possible was on the agenda.

The talks are just the beginning of the cooperation between the two countries, Col-Gen Teoman Ekran said.

[Begin recording] [Ekran, speaking in Turkish, with superimposed Croatian translation] As you know, the Republic of Turkey was one of the first countries to recognize the Republic of Croatia. This is a model start for the future cooperation between the two countries. Turkey supports Croatian peace efforts for the resolution of the crisis in Bosnia and lends its full support to the Bosnia-Herzegovina federation.

After the visit to the naval institute the Turkish delegation visited Koncar complex. Visits to Karlovac and Turanj are scheduled for tomorrow as well as talks with Croatian Defense Minister Gojko Susak. [end recording]

Bosnian Croat Commentary on Muslim War Successes

LD2606183794 Mostar Croatian Radio Herceg-Bosna in Serbo-Croatian 1600 GMT 26 Jun 94

[Text] Despite all peace efforts and realistic views that the continuation of the war in Bosnia-Herzegovina is more senseless than ever before, bloody fighting—mainly between the Muslim and Serb army and the inter-Muslim conflict in western Bosnia—continues.

A statement by General Rasim Delic, head of the Muslim army, calling on his soldiers to leave trenches and launch an offensive to liberate the country was like adding fuel to the fire. Here is a commentary by our journalist Ivica Tomic:

The Bosnia-Herzegovina army has in these 10 or 15 days of truce made large steps in liberating the Vlasic plateau, Gen. Delic, the chief of the general staff of the Bosnia-Herzegovina army, has told VECERNJI LIST. This statement by Delic and some other of his statements make it clear that an all-out war is being prepared and that signatures on truce agreements do not have any meaning any more, since the general openly admits that his army has made biggest advances during the truce period. The justification for this lies, of course, in Serb attacks in some other areas.

While not disputing the right of the Muslims to regain with weapons what the Serbs had taken from them in the same way we still cannot be indifferent to the escalation of the war, since we are all living in the same state and the war cannot leave us unaffected.

The Croats of Herceg-Bosna were the first to take up arms and show everyone that they were ready to defend their own territory, but never in this war have they launched conquest operations. It is clear now more than ever before that opting to defend was the correct decision. We can see now that it was much easier to defend one's home than have to fight to regain territory given up without fighting.

The chamber of deputies of the Croat republic of Herceg-Bosna at its latest session called on the belligerent parties in western Bosnia to sit at the negotiating table and put an end to senseless killing. Croats of Herceg-Bosna are for a just peace with the aggressor's, Serb side. The Serbs must—if not in any other way then under pressure from the great powers—accept the peace solution under which they keep as much as 49 percent of the Bosnia-Herzegovina territory—more than belongs to them. The Muslims must also relax their position and give something for peace. It is obvious that the great powers do not accept the lifting of the arms embargo against Bosnia-Herzegovina, therefore they do not want the war to continue. It is indeed absurd to wage the war without the blessing of Clinton and the allies, except—of course—in obvious self-defense.

We have never been closer to peace, but also to an all-out war. Croats are for peace. Let us hope that Muslim and Serb politicians are also for peace, and generals should in any case not be in charge of politics. Generals [words indistinct]. This is why Delic and Mladic should before the show-down ask their soldiers whether they are still prepared to get killed.

Gligorov Holds Talks With Owen, Stoltenberg

LD2506121194 Belgrade TANJUG Domestic Service in Serbo-Croatian 1041 GMT 25 Jun 94

[Text] Skopje, 25 Jun (TANJUG)—Macedonian President Kiro Gligorov received Lord David Owen and Thorvald Stoltenberg, cochairmen of the Geneva conference on former Yugoslavia, at their request in Skopje this morning, an announcement from the president's office says.

The talks focused on several issues of relevance to the situation in the region of former Yugoslavia and the international mediators' mission. These issues were also discussed at the European Union summit in Corfu, from where Lord Owen and Stoltenberg have just arrived.

TANJUG has learned that Gligorov and the two cochairmen also discussed the dire economic situation in The Former Yugoslav Republic of Macedonia [FYROM] caused by the economic sanctions against the FRY [Federal Republic of Yugoslavia], Greece's trade embargo, and the situation in the border area between the FYROM and the FRY.

Owen Says FYROM Discussed at Corfu Summit

LD2506171794 Belgrade TANJUG Domestic Service in Serbo-Croatian 1556 GMT 25 Jun 94

[Text] Skopje, 25 June (TANJUG)—"We mentioned the problem of Macedonia's [The Former Yugoslav Republic of Macedonia—FYROM] northern border with Serbia during the Corfu talks. We decided to discuss this issue in detail and, if possible, to resolve it appropriately," said Lord Owen, cochairman of the conference on former Yugoslavia, today during his brief meeting with the press in Skopje.

According to Owen, the European Union "is striving to prevent another war, in addition the Bosnian one, and that is the Serb-Croat war, which was one of the main items on the Corfu summit agenda, besides the situation in Ukraine."

Owen said that Macedonia was discussed at the summit in connection with the cochairmen's and international envoys' efforts to organize direct negotiations with Greece and that Macedonia needs aid, economic aid in particular. "All of us involved in the negotiating process will support this," Lord Owen said.

Crvenkovski Protests FRY Army Stance

LD2506143994 Belgrade TANJUG Domestic Service in Serbo-Croatian 1332 GMT 25 Jun 94

[Text] Skopje, 25 Jun (TANJUG)—Stevo Crvenkovski, foreign minister of The Former Yugoslav Republic of Macedonia [FYROM], today sent a letter to the United Nations in which he says that "the Yugoslav Army has been continuously threatening the sovereignty and territorial integrity of the FYROM for three months now."

"We have tried using all peaceful means to reduce tension on the border with the FRY [Federal Republic of Yugoslavia]. However, the latest incident on the strategically important point 1703, Straza, where Yugoslav soldiers have taken position—which indicates that they intend to stay on our territory for some time—calls for the use of all available means to force the Yugoslav Army to withdraw to its own territory," the FYROM foreign minister says in his letter to Butrus Butrus-Ghali.

Crvenkovski also says that the FYROM, "if these incidents continue, will demand that the United Nations take the most energetic measures to protect our territorial integrity."

Disputes Arise Over Population Census

Serbs Protest Census Forms

LD2506173594 Belgrade TANJUG Domestic Service in Serbo-Croatian 1318 GMT 25 Jun 94

[Text] Skopje, 25 Jun (TANJUG)—The Democratic Alliance of Serbs in Macedonia [DSSM] today sent a public message to the citizens of Serb nationality instructing them to provide information for the P1 [population census] form only if the form is printed in two languages—Serbian and Macedonian—and to refuse to take part in the census if the form is printed only in Macedonian.

A statement released by the DSSM says that this message was sent to the Serbs in Macedonia [The Former Yugoslav Republic of Macedonia—FYROM] because some census collectors are trying to register the Serbs on forms printed in Macedonian, with the assistance of an official interpreter, which is in contravention of the Law on the Census applied to citizens belonging to national communities.

Serbs Reportedly Registered in Pencil

LD2606172794 Belgrade TANJUG in English 1709 GMT 26 Jun 94

["Pool" item]

[Text] Skopje, June 26 (TANJUG)—A Serb party in the Former Yugoslav Republic of Macedonia (F.Y.R.O.M.) said on Sunday that F.Y.R.O.M. census takers were registering Serb families in pencil and refusing to register those Serbs to whom the authorities had either denied or not gotten round to granting citizenship.

The early census in the F.Y.R.O.M. began on June 21 and is due to be completed by July 5, at a cost of 1.7 million dollars, financed and monitored by the European Union and the Council of Europe.

The Democratic Party of Serbs in Macedonia said in a statement the Serbs had been justified to warn European experts of possible fraud in connection with the Serbs' citizenship designed to minimise their numbers.

According to the previous census, taken in 1991, the F.Y.R.O.M. had a population of 1.3 million, 2.3 per cent or 50,000 of whom were Serbs. The Serbs, however, immediately challenged the results. The Association of Serbs and Montenegrins in the F.Y.R.O.M. insists that the country has a quarter of a million strong Serb community, 50,000 of whom in the northern Kumanovo commune alone.

The Democratic Party of Serbs claims that various forms of pressure are being brought to bear on the Serbs during the current census, and that even the party's activists in the field are being threatened with 60 days in prison for drawing attention to the fraudulent activities of authorities and census-takers.

As a special form of pressure, incidents on the border with Yugoslavia (Serbia/Montenegro) are being fabricated and then taken as a pretext for waging a massive anti-Serb media campaign.

'Pressure' on Muslims Reported

LD2406160594 Belgrade TANJUG in English 1528 GMT 24 Jun 94

[Text] Skopje, June 24 (TANJUG)—The Democratic Party of Turks (DPTM) is taking advantage of the early census in the Former Yugoslav Republic of Macedonia (F.Y.R.O.M.) to pressure Moslem Macedonians into declaring themselves as Turks, the Association of Macedonians of Islam Religion warned on Friday.

A statement released by the Association asks the State Census Commission to ban DPTM activists from pressuring Islamized Macedonians "into falsifying their Macedonian nationality and native Macedonian language" in order to fully "become assimilated" and turn Turk.

The Macedonian authorities expect the census, which began on Tuesday, to show an incomparably smaller number of members of various nationalities, than leaders of national parties claim.

According to the [illegible]1 census, F.Y.R.O.M. had 2.3 million inhabitants, including 21 percent ethnic Albanians (427,000), while Albanian leaders claim that there are between 800,000 and one million members of that minority.

Also, according to the same census, there are only 50,000 Serbs in that former Yugoslav republic. Serbs do not recognize the results of that census and a representative of Serbs and Montenegrins in the F.Y.R.O.M. says there are about 250,000 Serbs there.

Democratic Party Leader Gosev Interviewed

94BA0307A Skopje VECER in Macedonian 21-22 May 94 pp 4-5

[Interview with Petar Gosev, leader of the Democratic Party, by Branko Geroski; place and date not given: "Brutal Actions Hurt"]

[Text] *They use cannibalistic and nepotistic methods in politics whereas I must act constructively.*

We conclude our series of discussions with political party leaders with an interview with Petar Gosev, the leader of the Democratic Party, a party which is a perennial topic of fierce discussions.

Dirty Methods

[Geroski] Mr. Gosev, do you think that with increasing frequency you have played the role of zealous critic rather than of a leader trying creatively to develop something new?

[Gosev] Let me immediately say that that is not the way I think. I have heard this remark, especially by people in power and those around them. Such people can fabricate the most dirty things, spread them daily among the public using the dirtiest "social warfare" methods, while we must counter them with plans for the present and the future. They engage in black marketeering while accusing others. Their people are involved in illegal deals for which they blame others. Their people trade in import and export permits and compensation agreements; they grab housing and free shops, whereas we, or I personally, must counter them with "projects." They block the work of the parliament expecting that I or other members of the opposition will answer with projects which would unblock it. The members of the coalition held the highest possible positions in the government for decades, including the time when most of the foreign loans were "gobbled up," while accusing others of the same. They are applying cannibalistic and nepotistic methods in politics, while asking of me to be constructive. This reminds me of the time when a single party ruled: "Do not criticize, just offer suggestions and we, at the top, we shall see whether your suggestions are smart and whether we shall adopt them." What projects are needed in order to block black marketeering, corruption, the plunder of public capital, the daily violation of the Constitution and the laws, discrimination against the people, nepotism, and the fearful spreading of incompetence in government, assigning political commissars to the information media, increasing party involvement in the top police ranks, and so on, if not to enable those who are doing all of this (and not only this alone), making it possible, supporting it, or not preventing it, although this is their duty, while in power?

[Geroski] When we speak of projects, we think of standards, of unemployment, of the retired, of health, schools....

[Gosev] Yes, I too think about them. However, the latter cannot be achieved without eliminating the former. Furthermore, on the basis of what rules of parliamentary democracy should the opposition draft projects for those in power and submit such projects to them, telling them, "here is a project, see what you can do about it while you keep on ruling!" On the other hand, very basic amendments aimed at correcting ordinary stupidities are simply rejected with grins of satisfaction. We do not

intend to provide them on a daily basis with this type of "satisfaction." To the voters I speak of our realities, of what we would accomplish if we are in power. Furthermore, we shall present our electoral program which, with or without projects, will be directed at the voters and not at those currently in power.

Gosev—Nationalist or Not?

[Geroski] You consider yourselves a party of the political center. Today you are being described as a member of the national bloc, while others even describe you as a nationalistic party....

[Gosev] We are a party of the political center, and that is what we shall remain. Labels used by political competitors will change nothing. We have already seen this: If you are not with them, there must be something wrong with you. I hear labels such as "Gosev has gone to the right," "he has become a nationalist," or else "he has proclaimed a confused type of nationalism!" I am convinced that I am wherever the national and state interests of the Republic of Macedonia [The Former Yugoslav Republic of Macedonia—FYROM] are. I am convinced that it is the other people who should think about where they stand. However, as was the case in the past, they will realize this later and, naturally, apply the greatest possible pressure to prove that they have always been in favor of what happened (if it was good) or against it (if it was bad). I read somewhere that a Russian philosopher wrote that there are two types of nationalism: zoological and creative. The first type encourages the irrational features of a people and leans toward intoxication, and inner triumph, and rejects criticism. The second not only allows criticism but provides it. It is not cut off from the trunk of the tree, rather it wants to enrich it with new meanings and fruit. In our country, there also are the so-called "anationals." They simply want to be merely citizens, members of a country, regardless of its name. They would like immediately to become citizens of the world. They want to live in the world as a global village. This is splendid. This may happen eventually. This may be the only formula that will save the world. Perhaps. I would like this too. I would like before that happens to practice the Olympic slogan, "We are one." But what about until then? On the one hand, there we are with the splendid humanistic slogan of "fraternity and unity," and on the other, there they are (with others among them as well) with their zoological nationalism. They would like to eliminate "our kind" or else tell us that we are one, but of their own kind, and take us over, either part of us or the entire "unrecruited" remainder of the Republic of Macedonia. Over the past 50 years, their practice of the otherwise splendid formula of "fraternity and unity" changed the demographic structure of Macedonia. The result today is expressed as follows: "Macedonia is not a unitarian state" or "it will not be a unitarian state." If such is the case, Macedonia will not be a state at all. This is worth thinking about, is it not? Everyone must see where he is: to the left, the right, in the center, or....

[Geroski] Those who try to estimate your electoral chances are unable to agree on whether you are "rallying" around you the voters disappointed by the VMRO-DPMNE [Internal Macedonian Revolutionary Organization-Democratic Party for Macedonian National Unity] or by the social democrats and the liberals. Are you indeed a party of the disappointed electorate?

[Gosev] The way things are, and given the increased number of sympathizers of the DP [Democratic Party], I fear that we may become a disappointed country. Seriously speaking, your questions are not serious. Our answer to this is the following: Those who are in power do not need a new party, a new alternative. However, if you are waiting for a more specific answer, most of the present membership (about 11,000) consists of former members of the SKM [League of [Communists of Macedonia] or the SDSM [Social Democratic Alliance of Macedonia], the Liberal Party, or individuals who have never been members of any party. It is true that neither sympathizers nor members are satisfied with this type of government, for which reason I do not understand the meaning of your question about us being the party of the disappointed.

[Geroski] What is Petar Gosev's view of the idea of a coalition with the VMRO-DPMNE?

[Gosev] The elections in the 103rd district indicated that if the government does not form a coalition, it is bound to lose the elections. That is, actually, what happened and "rescued" the government from a defeat. In connection with our electoral tactics, we are considering what would be the best way to defeat the current coalition. The possibilities are obviously greater if the opposition parties (those of any significance) develop some kind of electoral cooperation. We have still not definitively determined how intensive such cooperation should be and the form it should adopt. Actually, we still have time to reach a final decision. Naturally, this also depends on the wishes and interests of the other opposition parties.

[Geroski] Do you find an international understanding of your views, considering the international support given to the Gligorov regime?

[Gosev] Interest in the DP is clearly increasing. An increasing number of foreign diplomats, representatives of foreign countries, and newsmen are interested in having discussions with us. We openly present our views, profoundly trusting that they are consistent with Macedonian state interests. So far, there have been no cases of misunderstanding. On the contrary, we have noted a high degree of accord and understanding, even in connection with our views concerning relations with Greece. In the case of Greece, although they dispute our own views sometimes, quite frequently they note the complexity of the situation and suggest a compromise with Greece, although confidentially they say that they are on our side.

Conversion and Mimicry

[Geroski] We assume that the current electoral theme adopted by you and your party will be one of so-called conversion: You are indeed a "refugee" from the SDSM, a person about whom it is being said that he "brought" Kiro Gligorov to Macedonia (and is now criticizing him), a person who formed a party with people who, until yesterday, fiercely criticized him. What is Petar Gosev's answer to this?

[Gosev] This will not be our current theme. Many themes are much more important. Many among those who accuse us of conversion lack the moral right to do so. Specifically, the leaderships of the current coalition parties consist of the former SKM, and some of them incidentally, have had double the amount of "apprenticeship" in that party and have been for decades been part of the ruling team of the one-party system. They abandoned it, and now are once again together, struggling for power. I may be accused of conversion. I opposed the League of Communists platform and drafted a different platform long before they did, even while the country was still ruled by a single party. These people agreed with the new platform. Therefore, they too converted. However, looking at the way they work, the way they consider such conversion and the aspects on the basis of which they look at it, and considering the cadres which are promoting and revitalizing their platform, they once again aspire to be in power (the majority of them were, until the very last moment, against a market economy and pluralism, and against the state independence of Macedonia), and one could say that they did not convert but, as your respectable newspaper would say, they were not subject to a metamorphosis but remained like ideological dinosaurs and resorted merely to mimicry. My political credo and basic ideological line and system of basic values have been defined for quite some time. I did not avoid, naturally, making the necessary modifications. I separated myself from those who did not undertake any kind of ideological conversion (those who support the program of the League of Communists of 1950) or those whose ideology and system of values consist of remaining in power and ruling for the sake of fulfilling their personal objectives only. As to the fact that I have joined those who, until yesterday, attacked me fiercely, let me say the following: To be attacked by a political rival is one thing; but when you are being attacked secretly, like Brutus, by someone who thought of as a close supporter is an entirely different matter. I ask you to whom would you feel closer? For the latter, the people have suitable universally familiar sayings, I do not have to repeat them. My former political rivals, however, rarely resorted to attacking my personality. Frequently, they displayed greater respect for my activities and individualism, focusing their criticism on the old party along with its entire legacy of the past.

Socialist Party Leader Popovski Interviewed

94BA0286A Skopje VECER in Macedonian 14-15 May 94 pp 4-5

[Interview with Socialist Party leader Kiro Popovski by Branko Geroski; place and date not given: "We Are Not an Appendage of the Coalition!"]

[Text] *I don't know which big parties people think we are an appendage of. Some of those parties, however, fell below us in popularity.*

We are continuing our series of interviews with prominent party leaders with an interview with the leader of the Socialist Party, Kiro Popovski. It is interesting that this is Popovski's first interview with the press since the first elections, at least according to his own records.

[Geroski] In view of the results of the by-elections in several electoral districts, including the latest ones in the 103d, and especially the results of some public opinion polls, one gets the impression that your party's standing, at least in comparison with certain others, let us say, has shown growth, which is being perceived as a surprise....

[Popovski] The surprise is a consequence of the simplified assessment of the standings of political parties, which are reduced to the number of deputies in parliament. That figure does not actually correspond to the number of votes that we received from the citizens. Let me recall that in the first elections we received about 95,000 votes—the other parties received more, but not as many as the difference in the number of deputy seats seems to indicate. In any case, you will agree that any party's standing is best shown through support in the elections themselves, which means that it will evidently be demonstrated in the next elections. In some cases, there may be indications from the results of several parliamentary by-elections during this term, but not just in the 103d, in addition to public opinion polls, especially those of the Gallup Institute. In general, I think that we can be satisfied with the Socialist Party's standing, and especially with the fact that in all those tests we did not have any fluctuations and declines, which indicates stability in membership, sympathizers, and support. I think that that is also confirmed by the results that we achieved in the previous three by-elections. In two electoral districts, our candidates were in second place, and in all three, we got into the second round. As far as the 103d is concerned, we have a large membership and sympathizers there, and consequently part of this electoral district is represented by our deputy in the City Assembly.

Without an Inheritance

[Geroski] Why, then, didn't you decide to try your luck independently?

[Popovski] Such proposals were made, and we were prepared; we even had our own candidate. Nevertheless, because of the polarization that occurred and the political grouping that was expected, we assessed that we

would achieve better results if we came forward with a joint candidate. I think that our participation was significant in the outcome of the election campaign, and that fact is also acknowledged by the other coalition partners. At the same time, it was a sort of test to see how much our sympathizers and the sympathizers of the other two parties would accept our decision on a joint approach. In discussion groups and conversations in this electoral district, we received broad support for this platform from citizens. In any case, these days our party is having several meetings and discussion groups throughout the republic, and almost nowhere have we been in a situation in which we have had to interrupt them, as has happened to several other parties.

[Geroski] In the past there was an impression that your party was, in a certain way, to put it crudely, an appendage of the coalition or of the major parties, but the results show that in the future a different balance of power is possible. How much is that influenced by the fact that you are one of the parties which inherited an infrastructure, in terms of personnel, office spaces, possibly even money...?

[Popovski] Let me tell you at once—we did not inherit any kind of office spaces. In almost all the municipalities, we get the same treatment as all the other parties: As part of the distribution of office spaces, in the majority of municipalities, we only got one office. Other parties are far better situated than we are. Nevertheless, probably through inertia, and in view of the situation in several other political structures, that is being said of us, but it is not true. It is true that even before pluralism we had a well-equipped infrastructure, and that for the past four years that infrastructure has continued to function throughout the entire republic. Otherwise, with respect to what you were saying—an appendage—I don't know what big party you are thinking of, since some of those big parties have dropped below us in popularity. Furthermore, we have clearly declared that we are finally getting rid of all those former encumbrances and that the Socialist Party is acting as an independent political entity, with its own platform and positions. The fact that in some discussions, in parliament and elsewhere, our positions coincide with those of some large parties, which are primarily civic-oriented, is a result of the closeness of our programs. We are in a coalition now, and the party that has the largest number of deputies has the most say in the coalition, so someone thus draws the conclusion that we are under the wing of some party, which is not true. Figuratively speaking, the 28 deputies of that party have as much weight as our six, since neither they nor we can form a majority in parliament by ourselves.

Coalition for November?

[Geroski] Will that ruling coalition, which is now also the campaign coalition from the 103d, maintain itself until November?

[Popovski] I would like to remind you of something, although it will perhaps sound immodest: In 1990, the Socialist Party was the only one that had a realistic assessment of what would happen on the political scene in the republic. We established that assessment on the basis of the situation after the initial results from the parliamentary elections in Croatia and Slovenia. We realistically estimated that two national blocs would be created in the republic, and would not have a civic orientation; and that if the democratic parties were not united, their performance would be significantly worse. For that purpose, we also published a special declaration that year regarding the formation of a coalition of democratic forces in Macedonia. It is well-known that that coalition was not fulfilled; the only ones to join us were PCER [Party for the Full Emancipation of Romanies] and the Association of Macedonian Muslims. We estimate that in the next elections as well there will be a grouping of parties, since I do not believe that with this kind of political map in Macedonia one party can win the elections. It has also been demonstrated that the formation of a coalition between two rounds or after elections is hard to achieve, and without the same effects as in an election campaign. So far, there have not been any really direct talks on this level, except for this attempt in the 103d. I expect that soon every party will prepare realistic assessments of its own capabilities, and that there will be a grouping. There are already indications in the national bloc, and I assume that there will be a corresponding grouping among the parties of the nationalities. The parties that are now acting jointly are arguing that they are civic and democratic, and I think that in this case as well common interests may be found for the formation of a campaign coalition. In any case, if such a coalition is formed, we will urge that it be exclusively on an equal basis, and based on a clearly defined program and mutual obligations, since the one we have now is far from what it should be, and that is why we have this situation in parliament and elsewhere.

[Geroski] Entering that kind of coalition will be hampered by the voters' "memory" that that government coalition has one more member—the PDP [Party for Democratic Prosperity]. That will also be one of the key campaign themes that will be pushed by the opposition....

[Popovski] I don't know whether any party is proceeding on the basis of an assessment that if it gains power it will exclude representatives of the nationalities in Macedonia, although from the political and legal standpoint, in a pluralist and parliamentary system, the party that wins the elections also assumes power. Nevertheless, I think that excluding the nationalities from power would mean the further exacerbation of interethnic relations and an intensification of mutual distrust, which will contribute to separating and homogenizing them, which in turn will lead to mutual conflicts. After all, that has also been demonstrated on the territory of the former Yugoslavia. I don't know why or with which of the nationalities' parties we would enter a coalition—our

example with PCER shows that it can be done, if a firm program and elements for the functioning of such a coalition are prepared. Nevertheless, the hindrance that you are talking about does perhaps exist, since there is speculation that the coalition that exists now means the abandonment of any sort of principled policy by the parties that associate with the PDP. They want to use those national parties to create an artificial hindrance, in order to lower the standing of the coalition's parties. I think, however, that the citizens will be able to assess realistically what is what.

"Rigid" or Principled?

[Geroski] At the last two meetings of the Assembly, there have been incidents (the stalemate over the electoral law, the problems with the Census Law), which seem to be increasing that risk....

[Popovski] What you are saying to me now is confirmation of my previous assessment about the principled nature of the positions of these parties in the coalition. If we were to act in an unprincipled manner, that crisis would probably not have occurred: We would accept all the demands of the participants in the coalition and we would adopt all those laws without any problem. It is precisely because of that principled approach that we cannot comply with demands that are unacceptable to us. That is why the crisis is occurring.

[Geroski] They say that you are somehow the most principled of the principled, not to say the "most rigid" with respect to that so-called conciliation of the Albanians in the coalition. Is that true?

[Popovski] And now, whether I am "rigid" or not... I think that I am principled. Our slogan in 1990 was, and still is, that no one in Macedonia should be threatened because of his ethnic identity and that all citizens must be equal before the Constitution and the laws. Coexistence and mutual trust have to be ensured. Any other alternative will be fatal to our state. Some people perceive the fact that I am principled to the end as my being harsh on certain issues, or "rigid," as you say. I think, however, that it has to be assessed realistically. Some things in our country are still not fully developed as legal solutions, and one must always take into account expediency and reality. For more radical changes in mutual relations, it is also necessary to have a broader awareness among the citizens, a higher level of economic development, and greater mutual trust.

[Geroski] Finally, the last question: The elections are close. What is the minimum that the Socialist Party will consider a success in these elections?

[Popovski] I don't know whether any party could give you an answer to that question. In any case, if we exclude the Socialist Party of Serbia, we are the only socialist party in the former Yugoslav republics that has not only survived, but has also done continuously risen in popularity. Probably the minimum will be that we continue to remain in the inner circle of the political parties that have a fundamental influence upon the overall policy and development of the republic. That is not just for the sake of our political interests and party standing, but also so that we can make our own contribution to the state's survival and to ensuring prospects for its development.

ΩStruggle Over Electoral Law Continues

94P20812A

[Editorial Report] Since early April, newspapers in The Former Yugoslav Republic of Macedonia (FYROM) have featured articles on a package of three draft laws involving the election of the country's president, proposed changes to the law on parliamentary elections, and on the distribution of electoral districts. Of these, only the law on presidential elections has been passed.

Reviewing the government's performance on the electoral law in an article published in NOVA MAKEDONIJA on 12 and 13 April, Lazar Lubacevski commented that the current draft is almost identical to the one the same government introduced in July 1993 with the same injunction: This needs to be adopted immediately! When the government encountered opposition to its draft, Lubacevski observed, it withdrew the bill from the agenda and remained silent for eight months. According to Lubacevski, the government should have opened The discussion with the participation of citizens' forums and the extraparliamentary parties, and then scheduled a debate on the law in September. However, one part of the governing coalition, Lubacevski said without elaborating, did not like "the expansion of the system because it would interfere with the existing monopolistic situation."

In order to leave the existing 120 majority-vote districts intact, Lubacevski continued, the government decided not to change the constitutionally mandated 20 seats chosen by proportional representation. The government should have proposed, according to Lubacevski, a combination of 40-percent proportional representation seats and 60-percent majority vote. This would have led to the creation of 100 new districts and solved the problem of very uneven distribution of registered voters in each district. According to Lubacevski, this figure varies from 6,000 to 17,000 and is one of the chief problems among the coalition partners.

Skopje weekly PULS commentator Aleksandar Comovski, in a feature published on 29 April, noted that the party of the Albanian population, the Party for Democratic Prosperity (PDP), wants a 50-50 split between proportional represention and majority-vote seats. Comovski calculated that, even with the additional proportional representation seats, the PDP would probably not get more than one-third of the 140 seats. Further, he advised, the PDP should consider carefully whether proportional representation might have negative consequences for the PDP, such as heightening the danger of ethnic confrontation.

Controversy Over Electoral Campaign Financing

94P20821A Skopje NOVA MAKEDONIJA in Macedonian 30 Apr 94 p 17

[Editorial Report] In an article titled "Financing the Electoral Campaign: Some Walk, Some Ride in Ferraris," published on page 17 of the 30 April issue of the Skopje daily NOVA MAKEDONIJA, journalist Sanja Vasic examines the problem of election campaign financing in The Former Yugoslav Republic of Macedonia (FYROM). As the autumn parliamentary elections approach, Vasic writes, some examination of how to finance them should be made. The parliamentarians, however, have set aside consideration of the draft law on political parties, which is supposed to regulate financing, as well as the law on parliamentary elections, until the very end of their term of office.

The elections are supposed to take place within six months, Vasic says, and the issue of financing the electoral campaign is crucial, especially for the extraparliamentary parties, because they will not get much help from the state budget. According to the proposed law, 30 percent of the funds budgeted for the election are intended for the parties that received at least 3 percent of the votes in the last general election, held during October-December 1990. The remainder are to be distributed to the parties currently in parliament according to the number of seats they hold. It remains to be seen whether the funds will be available for use before the electoral campaign begins, Vasic states. He notes that this is not the only "card" the parliamentary parties can play, since they already have sizeable funds at their disposal, as well as donations from abroad. Whether that money will suffice, however, is debatable, Vasic observes.

According to Vasic, the Social Democratic Alliance of Macedonia (SDSM) is financed by membership dues, income from the "Demokratija" publishing house, and donations. This party, which is in the governing coalition, would like to have the draft law passed in its current form, without setting spending limits, he adds. In practice, the SDSM will attempt to respect the prohibition on money from abroad, says Danco Petrovski, chef de cabinet of the presidency of the SDSM, writes Vasic.

The VMRO-DPMNE (Internal Macedonian Revolutionary Organization-Democratic Party for Macedonian National Unity) interprets the lack of progress on the law on political parties as an indication that the government is intentionally blocking the resolution of the issue of party financing in order to restrict political activity by the opposition, reports Vasic. He cites Dosta Dimovska, the party's deputy chairman, "The parties in the governing coalition have an extensive source of financing through the property that they have at their disposal, from dark recesses in the budget, and from their control over enterprises, but they block adoption of the law on political parties." According to Vasic, the VMRO-DPMNE sees limitations on donations as unnecessary. It considers that enormous amounts are necessary for campaigns and that there should be a way to equalize resources. Although the VMRO-DPMNE receives occasional gifts, the party has no foreign donors. Dimovska also says: "As far as sympathizers in the business community are concerned, we keep their identity secret because of government repression."

Vasic reports that the Liberal Party, another member of the governing coalition, is preparing its strategy and is concerned that contributions to political parties might lead to certain groups or individuals having undue influence. Ace Kocevski, the Liberal Party secretary, says there is a need for a precise law.

Civic Liberal Party Chairman Boris Geraj comments that extraparliamentary parties do not have a chance in the area of financing. He believes that budget funds should be distributed equally or not at all. "Some go on foot, others in Ferraris," Geraj points out. In his opinion, business interests are self-serving and financing from them should be excluded.

Police Involvement in Politics Alleged

94BA0285A Skopje NOVA MAKEDONIJA in Macedonian 16 Apr 94 p 16

[Article by Zoran Petrov: "The Thorny Path Leading to Self-Discovery"]

[Text] *It is now clear that the Ministry of Internal Affairs is still not free from a variety of political pressures. What happened to the "eight" who were the main protagonists in numerous affairs and subsequent police cases? We have a variety of collages of police cases, scandals, and affairs.*

One of the most disrupted institutions of the system, the first to be hit by the so-called new democratic changes, was, unquestionably, the police. Even the most superficial study of the situation that has developed over the past three to four years would reveal the existence of politics in all areas of Macedonian governmental affairs. A look at the work of the Assembly of the Republic of Macedonia [The Former Yugoslav Republic of Macedonia—FYROM] would show that, once again, the police were one of the most extensively discussed items on its agenda, judging by the heat generated by the debates and various accusations.

What is now clear is that the Ministry of Internal Affairs (MVR) has still not attained the quality expected by the Macedonian public. It should be nonpoliticized and party-neutral, with the sole task of maintaining peace and order in the state, protect the citizens and, naturally, their property, and above all, treat equally all subjects of the state, regardless of their party, political, or ideological affiliation. Internal quarrels, power struggles, and, above all, divisiveness unquestionably remained the main features of that ministry. Even the latest actions taken by Pavle Trajanov, the former deputy minister for operational activities of the MVR, related to open charges that some government departments had become involved with organized crime, and the cover-ups and denials issued by his boss, Minister Ljubomir Frckovski,

most clearly indicate the insurmountable split within the Macedonian police. Actually, one way or another, such relations are part of the history of the MVR.

As a Starter, the Eight

The first known police affair took place in 1989-90. It is referred to as "the case of the eight." It was eight high-ranking police officials who promoted the use of the then-existing primary organization of the League of Communists in settling matters with the Republic's internal affairs secretariat, which brought to the surface a number of machinations, abuses, and distortions in the work of the police authorities. The group consisted of Pavle Trajanov, Slobodan Bogoevski, Stanoja Bogev, Grozdan Cvetkovski, Aleksandar Dinevski, Mile Ilievski, Bedjet Bedjeti, and Jovan Caminski. Bearing in mind the fact that Aleksandar Andonovski, the former secretary, reacted to their initiative with a repressive measure (all of them were suspended), they made their demands and views public. Initially the Belgrade media and, subsequently, the Macedonian press actively discussed the arguments of the initiators and, as we know, at that time the "case of the eight" was also considered by the highest party and state Macedonian bodies (the Assembly of the Socialist Republic of Macedonia and the Central Committee of the Communist League of Macedonia). Vasil Tupurkovski and Petar Gosev were actively involved in dealing with that matter. They threw their full support to the "rebels," as a result of which changes were made in the then police leadership (Republic Secretary Andonovski and his deputy Kompyanov were replaced). However, no real change occurred in the structure of the service.

Quite interesting in this context is the subsequent fate of the eight, for in a number of areas it was precisely they who were the main protagonists in police investigations. They achieved their real "rehabilitation" during the period of pluralism, following the appointment of Jordan Mijalkov (who tragically died in an accident on 19 December 1991) as minister of internal affairs. Trajanov and Bogoevski were appointed to the highest possible positions of under secretaries of public and state security, respectively. Bedzet and Bogoev were given deputy positions; Cvetkovski was appointed director of the Security Cadre Training Center. Ilievski was made councilor, while Dinevski and Caminski were given command positions. Essentially, the first case was the suicide of Mile Ilnevski in May 1992, which was caused, according to subsequent reports, by emotional disturbance. Still, the unofficial version of the event was that the reason for this nervous illness which led to Ilnevski's suicide was triggered by his awareness that his home telephone had been tapped on the instruction of his former "fellow fighters," headed by Bogoevski, and suspicions that he too had been involved in the then affair of the "bomb throwers" in Veles.

The second case, which bore all the marks of a real police-political scandal, took place in August of that same year, under the "management" of Aleksandar Dinevski, the head of the SDB [State Security Service]. The official police version was that official documents were found in Dinevski's possession, which he had passed on to the VMRO-DPMNE [Internal Macedonian Revolutionary Organization-Democratic Party for Macedonian National Unity]. At the news conference which took place on that subject, he accused the MVR of illegal tapping of telephones, including that of the VMRO-DPMNE. Subsequently, Dinevski became a member of that party and today is member of its leadership in the Cair township in Skopje. All that remained of this entire scandal was the Duvlo case (repeatedly raised in the Macedonian Parliament), and the frequent subject of party influences in the police. Meanwhile, immediately after Dinevski, Jovan Caminski, one of the "eight," left the police. He was transferred from chief to private counsel. Today he is in private business. It is believed that he is too has ties with the MVR, with one of the former "eight," Pavle Trajanov.

Are the Police Becoming Politicized?

Of the former compact group of "rebels," only Trajanov and Bogoevski were left in leading MVR positions. They actually controlled the entire police organization. That is precisely why the public was quite surprised to learn that the public security under secretary was made deputy minister for operative affairs (November 1993). In the police hierarchy, this is a very high rank. Trajanov himself said at that time that he was surprised by the government's decision and that the reasons for this act, in his view, lie elsewhere rather than the official statement of the minister that it was a matter of routine cadre rotation in anticipation of the reorganization of the MVR and the elimination of the position of assistant secretary. It was public knowledge that this was the result of reliable information provided to the press concerning the then topical affair of the "all-Albanian paramilitary force." Along with this, the claim was made public that Trajanov was replaced because of his closeness to Petar Gosev's Democratic Party.

The latter view became topical once again after Trajanov's statement to NOVA MAKEDONIJA, dated 12 March 1994, to the effect that some government ministries had become involved with organized crime, which excited the public once again. The government held a meeting on this subject and its views were presented at a news conference by Minister Ljubomir Frckovski, who distanced himself from the statements of his assistant and asked the latter to back up his claims by citing criminal charges within a "reasonable period" of about 10 days. The five or six criminal activities described by the MVR Operative Affairs Department apparently were not considered a sufficient argument by Frckovski. On his suggestion, therefore, on 4 April last, by removing Trajanov from the government, he was once again transferred (without any explanation) from the function of assistant minister to senior adviser, which, in terms of police terminology (and practice) is the last position to be held prior to retirement. What gives a political slant to this entire case is the fact that Trajanov's statement

according to which the government was involved in organized crime, issued immediately before the elections at district 103 in the Skopje area, was exploited to the utmost by the Democratic Party in its electoral campaign, while at the television duel on the A-1 television channel between Aleksandar Tortevski (Democratic Party) and Nikola Popovski (SDSM [Social Democratic Alliance of Macedonia]), the latter directly accused Trajanov of acting together with Gosev by supplying his party with confidential police data (unequivocally related to the Dinevski case).

The ex-assistant minister rejected this claim as groundless and tendentious slander, emphasizing his initial statement that organized crime has penetrated the executive branch. Regardless of the final resolution of this case, it is obvious that internal upheavals and disagreements within the MVR are continuing, along with questions related to the involvement of individual cadres in party affairs. The process of conversion of that ministry is, obviously, not an easy one. This is quite clearly taking place in connection with a variety of political pressures and influences. Still, this phenomenon clearly stands out among other numerous political-police affairs, scandals, and events.

From "Cavern" to "the Twenty"

The study of the case may lead to a general relative group classification. The first group would include the purely political police cases ("Tavern," "Blue Bird," and "Bulgarian Tracks"), which were debated twice in the Assembly. In the first case they were considered as specific agenda items; the second time they were within the context of the question addressed at Minister Frckovski. The second group of political scandals could be described as "professional" or as a "criticism of MVR actions." This includes the "Radolista," "Radovis," "Kuklis," "Bit Pazar," and "Djorce Petrov" cases, which were also extensively and lengthily debated in the Macedonian Parliament and about which one could stress as a characteristic feature the fact that, one way or another, daily political activities were the main actual reason. The third type of affairs, again involving the MVR, could be described as one of "status" or "interministerial." This includes, above all, the confrontation between the ministry and the defense department (the "military camps" case) and with the government's customs department on the subject of levying some customs fees. Actually, the fourth group consists of purely internal political scandals that pertain mostly to the abuse of police professionalism, involving theft and corruption among the police. Starting with October 1991, with the "600,000 German marks case," as a result of which one commanding officer and one chief of a political precinct were suspended, and ending with the latest cases in Sveti Nikol, Kocani, Tetovo, and Bitola, where, as a result of customs dealings or engaging in black marketeering and resale, most police chiefs were fired, the MVR has been a permanent topic of discussion. The case of the December 1992 "twenty" which was brought up in the first months of this year is special for not belonging to any group but being something entirely separate. It resembles the case of the "eight" not only because it is, once again, a question of the work of state security personnel but also the data submitted to the highest authorities in Macedonia indicating major deformations and abuses in the statutory and legal functions of the MVR. In this case, however, there was no conclusion to this prototype, which ended only as a case that did not result in major upheavals within the ministry.

In discussing the link between the police and politics, Dr. Djoko Tozi, professor at the public security faculty in Skopje, pointed out that this is a complex problem, after the system essentially based on the political police, known in the past as the "militia," broke down. According to him, this system favored the police and the state authorities and institutions and implemented its policy mainly with their help. With the breakdown of socialism, Dr. Tozi points out, our police made a serious attempt at changing itself. The way things are now, however, it is totally unable to get rid of politics. Those in power who openly claim that they absolutely oppose the politicizing of the police are engaged in a political farce, for, according to our interlocutor, the ruling party or class cannot implement any one of its objectives without having any influence on the police or in the army.

It is the general rule for countries in a state of transition that the first battle for power leads the parties to concentrate on taking over the police. This is taking place in our country as well, Tozi claims, in the course of which several scandals or events emerge. This is a classical effort on the part of some parties to take over the field of internal affairs. In his view, one of the clearest examples of this was the conversion of a high police official to the VMRO-DPMNE. We are familiar with other types of deals and even with the skillfully created crisis by the government among the coalition parties themselves in putting their own people in leading positions in the police, as was the case of the conflict between the LP and the SDSM. Some parties insisted on having their own people in key positions within the ministry, such as deputy secretary or assistant.

All of this, as Dr. Djoko Tozi insists, is the result of a still undefined type of society and undefined relations within the parties and their programs, and the fact that they are still in the phase of structuring and developing their social base. Within such an undefined status of the parties and an overall lack of stability, it is normal to strengthen the role of the police. That is why there is no scandal, affair, or case, according to our interlocutor, in which the police are not directly or indirectly involved. All it takes is to look at the "Tavern," "Blue Bird," "Kuklis," "Radovis," and others, according to Tozi, characterized by the fact that politics is the most important of their features. These are, first of all, political, and only then police cases, categorically claims the professor at the security faculty. Considering that the purpose of the MVR is, above all, to protect the interests of the

citizens, these examples clearly prove that they are working as a function of politics. Most simply stated, we are facing a political struggle for power within the police which, according to Tozi, as a rule protects those who are in power.

Today the political police are not all that obvious, and it cannot be as it was in the period when all had to think alike, although, generally speaking, we cannot say that we have a depoliticized police, Tozi stresses. Its framework from the past remains and this is quite evident, Dr. Djoko Tozi and others said.

The Issue of Objective Factors

According to Dr. Borce Davitkovski, docent at the School of Law in Skopje, several reasons contribute to the strengthening of the authoritative or repressive agencies of the state, most noteworthy among which are the police and the army. To begin with, the aspects and trends of authoritarian and repressive rule and behavior, familiar over the past 45 years of development of Macedonia, have still not disappeared. According to Davitkovski, in addition to these agencies this may be seen in all other political factors, for there is a constant search of traitors to the people and the state or else of enemies of the Macedonian cause. These are recurrences of the old system and in this case it is more a question of a mentality or a way of behaving. I claim that in the next 50 years as well this will be reflected also in the attitude of the administrative authorities and the other activists, our interlocutor insists.

The second reason, according to Davitkovski, is the factor that there is no true opposition in Macedonia, which in the present parliamentary structure would be realistic, and would act as a real shock absorber of the current political powers. On the contrary, Davitkovski categorically claims that we have a so-called double opposition: one within the parliament, which itself holds an inferior position, and a second within the government, which manifests itself only when it deems suitable. Such major factors provide a particularly fertile soil for strengthening the role of the police. The third and perhaps most important reason is the fact that in Macedonia there still has been no operational definition of the constitutional stipulation governing the division of powers. No amortization instruments between the legislative, executive, and judiciary have been provided for. Even within the executive authorities, Dr. Davitkovski says, no laws govern relations among its agencies. Taking into consideration the fact that no law has yet been passed on the administration of the state, the administrative authorities and the police work on the basis of rules of the past, based on the principle of the unity of power and not its separation, the logical result of which is the domination of the executive over the legislative authority and, within this framework, the domination of the state organs, including the police. Adding to this the fact that the judiciary, which relies on the police, has still not been structured, that same police assume a dominant position and objectively are in a position of being in charge of matters outside their jurisdiction, Dr. Davitkovski says.

The fourth major reason, in his view, which objectively determines the superiority of the police over the other social areas, is the process of their internal depoliticization. The people who work in the MVR, Davitkovski stresses, have been trained on the basis of a different system and a different way of acting. Therefore, they cannot lose overnight their way of thinking and acting. This will take a long time, along with the democratic evolution of the entire society.

The fact in which the views of Dr. Djoko Tozi and Dr. Borce Davitkovski coincide is the basic concept on the appearance, organization, shape, and way of work of the depoliticized police. This, according to them, means establishing the principle of absolute professionalism in the work of that body.

[Box, p 16]

Dr. Djoko Tozi, Professor at the Public Security Faculty in Skopje

There Still Is Fear of the Police

A specific situation has developed in Macedonia. The police, which at the time of the withdrawal of the former Yugoslav People's Army were the only armed Macedonian component following the independence of the state, were also one of the most privileged institutions. As the only organized force during what may have been the most critical period for Macedonia, the police acquired great authority and a high reputation.

However, after the proclamation of independence of the state and the restoration of pluralism, and the numerous political-police affairs and scandals, once again the ordinary people experienced the old fear and mistrust of the police. A most common example is the following: Three weeks ago, in a television debate with the minister of internal affairs, the greatest number of viewers who asked questions insisted on remaining anonymous. What does this prove? Is this not an example of the reservation which the people still feel when it comes to the police? That is why I claim that the restoration of reciprocal trust is a duty, a historical process of the depoliticization of the police.

[Box, p 16]

Dr. Borce Davitkovski, Docent, Law School in Skopje

A Democratic Police Acts Automatically

Let us take France as an example. In that country the minister of police may be a socialist, a communist, a Christian Democrat, a fascist, or a neofascist. To the police itself this is not all that important, for the police know their work: to protect the constitutional and legal order in France and the human rights and freedoms.

Regardless of whether communists or fascists are demonstrating, the police stand aside. However, the moment the demonstrators threaten private property or the safety of the citizens, break a shop window, or beat up a passerby, the police act mercilessly. This is automatic. The police are not interested in whether the demonstrators may be ideologically supporters of their minister. That is precisely why we must see to it that our police are properly trained, expert, and professional with clearly defined obligations. Unfortunately, we are still waiting for this.

Grain Harvest, Purchase Prices Discussed

94P20907A Skopje VECER in Macedonian 14 Jun 94 p 6

[Editorial Report] In an article titled "Barns Are Full, Cashboxes Are Empty," published in the 14 June issue of the Skopje daily VECER in Macedonian on page 6, J. Pavlovski writes that the barley harvest has already begun in some regions in The Former Yugoslav Republic of Macedonia (FYROM), where 64,000 hectares have been sown. The Macedonians expect to harvest 50,000 metric tons of brewery-grade barley, and the Macedonian breweries need 30,000 tons. The expected yields of various field crops are about 155,054 tons of barley, 15,000 tons of rye, 1,070 tons of oil-bearing pods, and 798 tons of poppies. The acreage devoted to bread grains has been increased by about 7,000 hectares for a total of 116,550 hectares. Part of the area sown has been affected by drought, especially in the Stip and Sveti Nikole districts, but the overall harvest is expected to be satisfactory. In fact, according to Pavlovski, the wheat harvest should set a record for Macedonia. Experts estimate that the average yields of wheat per hectare will be about 3,500 in the Pelagonija region, 3,200 in the Skopje region, and 4,000 in Polog.

Pavlovski notes, however, that a bountiful harvest does not depend only on weather conditions and the mobilization of workers and machinery, but is also influenced by the purchase prices for the crops and the amount purchased. According to Mioljub Panov, chairman of the "Zito Makedonija" milling and baking industry, because of the high guaranteed price of 10 denars per kilogram, the purchase of bread grains will be limited. Eftim Ancev, minister of agriculture, forestry, and water management, says that, to the extent that that price has not been accepted by purchasers, the government will pay producers for the wheat.

The milling and baking industry is reluctant to buy bread grains not only because of the high prices (FYROM wheat costs $240.00 per ton, compared to $140.00 per ton for U.S. wheat), but also because of the increased supply of flour and wheat in stores, silos, and other storage bins, Pavlovski continues. According to data as of 30 April, there were 110,000 tons in reserve. According to Sande Djambazovski, deputy minister of agriculture, forestry, and water management, the Directorate for Material Reserves will purchase wheat from this year's crop that is not bought by the mills.

The purchase of bread grains by the milling and baking industry is also affected by financial considerations, according to Pavlovski. Because of unpaid loans, the banks are not able to extend credits to the milling and baking industry. For the anticipated purchase of 150,000 tons of wheat, about 1.5 billion denars will be needed. But that is not all: The state must secure an additional 300,000,000 denars for the producers. Kiro Dokuzovski, secretary for agriculture, food processing, and tobacco industry in the Chamber of Commerce, says that the price is not the focus of the conflict for the producers, nor is the fact that they will accept whatever quantities of bread grains that are needed. He believes that the state must issue orders to control imports because there is no justification for uncontrolled imports when the Ministry of Agriculture, Forestry, and Water Management is attempting to defend the reserves to ensure supplies for the market. The producers, however, do not want to repeat the old practice of not knowing where to get money at the best rate or, after a long wait, having their assets devalued.

Bitola Power Plant Expands Capacity

94P20911A Skopje VECER in Macedonian 19 May 94 p 7

[Editorial Report] S. Padori reports on the expanding capacity of the REK (Republic Electric Power Combine) "Bitola" in an article on page 7 in the Macedonian-language Skopje daily VECER, published on 19 May. The Bitola plant, which is the largest in The Former Yugoslav Republic of Macedonia (FYROM), will expand its generating capacity by 45 megawatts when the overhaul is completed toward the end of September. According to Padori, the three heat and power units that have generated 210 megawatts each will be renovated, raising the capacity of each unit to 225 megawatts, thus increasing the Bitola plant's capacity to 675 megawatts.

The idea of expanding the capacity of REK "Bitola" dates from the signing of an agreement with Russian partners from Saint Petersburg in October by Mr. Podoljski. According to the assistant director of the Bitola plant, Pande Lazarevski, it is significant that the increased power capacity can be obtained with the small investment of $4.5 million, or about $100,000 per megawatt.

Federal

'Yugoslav-Korean Friendship Society' Founded

LD2406150794 Belgrade TANJUG Domestic Service in Serbo-Croatian 1432 GMT 24 Jun 94

[Text] Belgrade, 24 Jun (TANJUG)—The Yugoslav-Korean Friendship Society was founded in Belgrade today, the society's newly formed main committee announced. The constituent assembly, attended by more than 200 participants, adopted the society's code of practice and elected the 15-member main committee.

Milorad Zecevic, director of Coca-Cola [as received], was elected as the society's president, and author Djurica Labovic as secretary. Yu Se-ung, ambassador of the Democratic People's Republic of Korea to Yugoslavia, addressed the participants in the constituent assembly, and thanked the founding committee for its efforts in forming the society.

Simic on Normalization of Relations With Croatia

LD2606200294 Belgrade TANJUG in English 1954 GMT 26 Jun 94

["Pool" item]

[Text] Kragujevac, Yugoslavia, June 26 (TANJUG)—Yugoslav Vice-Premier Zeljko Simic on Sunday hoped that normalization of relations between Yugoslavia (Serbia/Montenegro) and Croatia would shortly be resumed.

Simic based his optimism on "the political reality that relations between Belgrade and Zagreb will have the decisive influence on the outcome of the crisis which is rocking the lands of former Yugoslavia and the Balkans as a whole." He was speaking for the local radio in Kragujevac, central Serbia.

"Therefore, I am not inclined to speak of a halt in the normalization process, but rather of a lull which I expect will be followed by progress in political dialogue which will reflect positively on the Bosnian civil war," said Simic, who chairs the Yugoslav Commission on Normalization of Relations between Yugoslavia and Croatia.

Yugoslavia is ready to make the utmost contribution to improving bilateral relations in accordance with the 1993 Geneva Declaration, he added.

Speaking about the breakdown in talks on normalizing economic relations between the republic of Serb Krajina (R.S.K.) and Croatia, Simic said this was giving rise to apprehensions, especially in view of extremely immoderate and war-mongering statements by Croatian officials.

The R.S.K. was proclaimed in late 1991 by the local Serbs in their ancestral lands within the arbitrary Communist-era borders of Croatia in response to Croatia's violent secession form former Yugoslavia and trampling on their rights.

The R.S.K. was placed under U.N. protection in early 1992, which has, however, failed to deter Croatia from launching four offensives on the territory, killing a thousand Serbs, mostly civilians, in the process.

Simic said that a comprehensive settlement for the problems between the R.S.K. and Croatia was possible only with full respect for the political reality. The implementation of such a settlement must be phased—unconditional peace should be established first, followed by the resumption of communications and economic and other ties, with political normalisation coming last, he explained.

He dismissed as unfounded the insistence of Croatian officials that the key to the R.S.K.-Croatia problem lies in Belgrade, and explained that Yugoslavia had been taking pains to strengthen equality-based dialogue between the R.S.K. and Croatia.

Simic denied allegations that he was to blame for the delay in a meeting of Yugoslav and Croatian intellectuals in Belgrade. Yugoslavia is a free, democratic country which guarantees full safety and freedom of speech to all visitors, he stressed.

Serbia

Milosevic Receives Owen, Stoltenberg

LD2506161994 Belgrade TANJUG Domestic Service in Serbo-Croatian 1454 GMT 25 Jun 94

[Text] Belgrade, 25 June (TANJUG)—Slobodan Milosevic, president of the Republic of Serbia, received Thorvald Stoltenberg and David Owen, cochairmen of the Geneva conference, who arrived in our country today.

The office of the president of the Republic of Serbia issued a statement saying that the most important issues involved in reaching a successful solution to the crisis in the territory of the former Yugoslavia were discussed during the lengthy and frank talks.

President Milosevic said he expected the international community to overcome its one-sided approach in solving the Yugoslav crisis, and that in the future it will grant equal consideration to Serbian interests in its proposals for a peace plan. In that respect, the Serbian president said that the principles defined during the negotiations so far can be a good basis for a final solution to the crisis. He noted that the one-month cease-fire in Bosnia was undoubtedly not long enough for holding negotiations on the former Bosnia-Herzegovina with a positive outcome. Serbia therefore advocates the extension of the cease-fire between the warring sides and more intense negotiations in order to reach a final political solution to the crisis.

In President Milosevic's view, sincere efforts to restore a lasting and stable peace imply a solution which should contain no unsolved, postponed, and open issues, and

consequently it should not contain grey areas or any other undefined and partial solutions that could be potential new flashpoints. We should use this occasion to find an overall solution that will make possible a stable and lasting peace, the lifting of the economic sanctions against the Federal Republic of Yugoslavia, and the normalization of life in this region, President Milosevic stressed in today's talks with Owen and Stoltenberg, co-chairmen of the conference on Yugoslavia. This is how the statement from the office of the president of the Republic of Serbia ends.

Seselj Calls For Expulsion of All Non-Serbs

AU2406185694 Zagreb GLOBUS in Serbo-Croatian 24 Jun 94 pp 7, 8

[Interview with Vojislav Seselj, leader of the Serbian Radical Party, by Zeljko Garmaz; place and date not given: "I Support Tudjman and Kucan Because They Will Never Agree To Restore Yugoslavia!"]

[Text] A recent statement by [Serbian Radical Party leader] Vojislav Seselj, that Croats who remained in Serbia should be driven out, caused a furor even in notoriously Greater Serbian newspapers such as VECERNJE NOVOSTI, which severely criticized Seselj's threat. However, it is obvious that the commentary in VECERNJE NOVOSTI does not indicate an about-turn in Serbian policy toward the protection of minorities. Simply, Milosevic's regime wants to destroy its former ally politically; anyway, Vojislav Seselj will soon be on trial for the incident in the Serbian Assembly.

Asked why he did not attack President of the Parliament Radovan Bozovic physically as well, Seselj replied that "Tarzan never hit Cheetah!" Then we asked Seselj why he did not use his gun, with which he never parts.

[Seselj] I only draw my gun when I am attacked by five or more men. When there are fewer than five, I defend myself without a gun. I have been in dangerous situations many times before and did not use my gun. When I was attacked by three psychopaths at the restaurant "Russian Czar," and one of them hit me over the back with a chair and my head started bleeding, I did not draw my gun, for I was able to defend myself without a weapon even then. But it is true that the gun makes me feel safer and enables me to walk the streets of Belgrade on my own, without bodyguards.

[Garmaz] You have recently threatened the Croats living in Serbia with having to move to Croatia. The Croats and the Hungarians who remained in Serbia are being terrorized more often, as after every such statement of yours. A church has recently been blown up in Subotica [town in Vojvodina on Hungarian border].

[Seselj] It was no threat. I am calling for a civilized exchange of population. The Croats and Tudjman's regime started this exchange in an uncivilized manner. The Serbs have already been expelled from Croatia, and we want those Serbs to exchange their property, apartments, and houses in Croatia with Croats living in the FRY [Federal Republic of Yugoslavia] as soon as possible. The process was going well through the mediation of the Catholic Church. I think that the Croats have always had the better deal in such exchanges, because they were better off when leaving.... The Serbs had to flee the country, but the Croats had the chance to think it over and be informed, through the Catholic Church, about the property they would come to.

[Garmaz] You call the exchange caused by threats a civilized and democratic process?

[Seselj] This proposal is not undemocratic and uncivilized at all. Anyway, it is based on history. You must know that Franjo Tudjman and Dobrica Cosic agreed on this some time ago!

[Garmaz] What did they agree on?

[Seselj] On the civilized exchange of populations between the FRY and the Republic of Croatia. At least that is what Cosic said in Belgrade. The Serbian press wrote about it and Cosic's statement was broadcast on television.

[Garmaz] When did Dobrica Cosic say that he and Tudjman had agreed on the exchange of population?

[Seselj] Right after the negotiations at which Prevlaka was the most important item on the agenda. I cannot recall the exact date, but that agreement is a well known fact in Serbia.

[Garmaz] In your opinion, how many Croats are there in the FRY?

[Seselj] We estimate that there could still be about 30,000 Croats.

[Garmaz] And how many Serbs in Croatia?

[Seselj] Many more. About 300,000 Serbs were expelled from Croatia, excluding the Serbs from the "Serbian Krajina." For, when I say Croatia, I mean Croatia without the territory of the "Serbian Krajina"! Quite a few have fled to Western Europe. They are not registered as refugees....

[Garmaz] How important are you for the political life of Serbia, anyway? Why should anyone take your statements seriously? Do you have the power to implement this "civilized" exchange of population?

[Seselj] The number of votes that a person received at the elections, i.e. the number of deputies in parliament, is the basic and formal way of assessing political power. At the last elections, 600,000 Serbian citizens voted for us. Therefore, that is the political force that we can safely count on. However, we got those votes under most adverse political circumstances, under a total media blockade, and in spite of a dreadful campaign by the ruling Milosevic regime against my party, which adds

another element to the strength of our ratings and this should not be underestimated! Political rating is a changing category, so I would not like to talk about what I expect will happen in the future. My predictions may seem unrealistic to you, but they have come true many times before.

[Garmaz] How much did you lose as a result of the latest incident in parliament?

[Seselj] Those events have only boosted our ratings, as the Socialists realized as well, since they showed the event in parliament only once on television and no more. This has improved our reputation with the people even more: the tearing out of the microphone wiring, the struggle with the police, and throwing water at the deputies of the Chamber of Citizens.... Anyway, every network in the world reported on it, if only as a curiosity, and this enabled us to break the media blockade, which had lasted for a full eight months.

[Garmaz] The event in parliament shows you finally resorting to violence to realize your goals.

[Seselj] Nothing was forced there.... Milosevic's team say that was an act of vandalism, which is impossible, as there was no material damage. Throwing a glass of water at someone is not life- threatening and is not particularly violent. Only those who got wet could take offense. Since the water was not very cold—meteorological conditions could not have made the water a health hazard—the act could have also been interpreted as a welcome refreshment, as everybody sitting in parliament felt as though they were in a sauna!

As far as the struggle with the police is concerned, they simply attacked our deputies. It was not we who attacked the police, it was they who attacked us. They were ordered to escort only one deputy out. The police cannot violate our rights as deputies to sit in the seats assigned to us in parliament by carrying out only one order. The cannot tread on us just to carry some other deputy out of the parliament building.

[Garmaz] No political event over the past couple of years that has caused excitement in the Serb media has happened without you. How do you explain this?

[Seselj] I have a specific and a very efficient way of getting publicity, especially when I am being threatened and put under a media blockade.

[Garmaz] You do not think that threatening the courts, from the World Court in The Hague to this trial in Belgrade, is a serious matter and you are always happy to appear. Is that also part of your struggle for publicity?

[Seselj] It was not always like that. When I was tried in Osijek, I did not show up, nor at the trial in Dubrovnik. But in Belgrade, I cannot wait to appear. It all depends on the objective political interests of the particular period. It might have been politically beneficial if I had gone to the trials in Osijek or Dubrovnik. However, there was a serious chance of my being liquidated before I entered the courtroom. Consequently, objective political interest was outweighed by other factors.

[Garmaz] So you have decided to use the trial over the events in parliament to put the authorities on trial!?

[Seselj] Yes, I am going to use this trial to put Slobodan Milosevic and [his wife] Mira Markovic on trial....

[Garmaz] Why Mira Markovic?

[Seselj] Mira Markovic has all the power in Serbia. Slobodan Milosevic has proved to be a henpecked husband, with his wife ordering him around and making all the decisions.... She is just like Elena Ceausescu! That is the main reason! Also, she is the leading ideologist of the League of Communists-Movement for Yugoslavia, a very dangerous political party, which is actually a terrorist organization that has already committed heinous crimes in these parts.

[Garmaz] But the League of Communists-Movement for Yugoslavia is not in power.

[Seselj] It is not in power but they are very influential, for they are fronted by the wife of the president of the country! The party organized the well-known kidnapping of Sandzak Muslims from the train.

[Garmaz] Can you prove that?

[Seselj] Of course I can. It was organized in Belgrade and many people were involved, including some 10 military trucks, which were parked in front of the train. You see, something like that, which happened a year and a half ago, in view of the involvement of so many people and so much equipment, cannot remain a secret. They carefully planned the crime so as to blame it on Radovan Karadzic at a suitable moment, at which they did not succeed!

Furthermore, we announced yesterday that the League of Communists -Movement for Yugoslavia participated in arming the Muslims in certain parts of Bosnia-Herzegovina....

[Garmaz] Why would the League of Communists-Movement for Yugoslavia be arming the Muslims?

[Seselj] To win them over. They are still planning to restore Yugoslavia. Slobodan Milosevic fell for this, and we are now his bitter adversaries. While he was a patriot, he could count on our support, but now that he has changed completely so as to try to reach an agreement with the United States, we will depose him. Anyway, the process of reintegrating Yugoslavia is proceeding very well on the territory of all former federal units of the former SFRY [Socialist Federal Republic of Yugoslavia]. This process is also there in Slovenia, where they are trying to overthrow Kucan. The United States wants to establish a new regime there, which will agree to be reintegrated into Yugoslavia. The process is increasingly evident in Croatia as well, and Tudjman's position is very weak. He will probably be overthrown soon. Now I

am keeping my fingers crossed for Tudjman, for he will probably never agree to a new Yugoslavia!

[Garmaz] You support Tudjman?

[Seselj] Franjo Tudjman will never agree to return to Yugoslavia! Of this I am absolutely convinced!

[Garmaz] Do you think that any Croatian politician would agree to restoring Yugoslavia?

[Seselj] Those who oppose Tudjman would—Mesic and Manolic—and also people like Racan and Ante Markovic, and this would be a most dangerous solution. A new Yugoslavia could never function as a normal country, for it would be constantly weakened by internal political conflicts. Everything that we have endured over the past couple of years would be repeated in a decade or two.

Furthermore, there is a similar process in Bosnia-Herzegovina as well, and Izetbegovic will soon be overthrown. Milosevic is preparing to replace Radovan Karadzic, while Mate Boban has already been eliminated. After that follows the restoration of Croatia's integrity, but it will never be able to function. Croatia can function only if the "Krajina" is not an integral part of it. With Krajina as an integral part of Croatia, especially with a high degree of autonomy, Croatia will never be a serious country.

Bosnia-Herzegovina will never be a serious country, if it is composed of three federal units or two federal units. If, applying the same principle, Vojvodina, Kosovo, and Sandzak are given autonomy, Serbia will not be able to function as a serious country either! Nor could a new Yugoslavia with such complex domestic relations be a serious country.

[Garmaz] You have recently stated that "the Croats will create a fourth Yugoslavia!?"

[Seselj] That is not exactly what I said. The fourth Yugoslavia will first of all be created by the West, with the help of those Balkan politicians who accept that option. Milosevic has already accepted a new Yugoslavia, for he is counting on the United States to accept him as the head of the new Yugoslavia. That is where he is very much mistaken. The United States will use him in the process of creating new Yugoslavia, and then they will get rid of him. They were the ones who called Milosevic "the Balkan butcher," "a war criminal...."

[Garmaz] Do you seriously believe in a new Yugoslavia?

[Seselj] I cannot understand that you do not see it already happening in Croatia.

[Garmaz] Nobody in Croatia wants Yugoslavia!

[Seselj] Do not be so naive.

Kostunica Protests 'Unjust' Sanctions

LD2506213594 Belgrade TANJUG in English 2047 GMT 25 Jun 94

[Text] Belgrade, June 25 (TANJUG)—Serbian opposition leader Vojislav Kostunica on Saturday criticised the Western attitude to the Yugoslav crisis, denouncing U.N. sanctions against Yugoslavia (Serbia/Montenegro) as unjust and senseless.

The sanctions "are inflicting suffering on the people and not the regime," they are destroying the market economy and compromising the democratic idea in a society where "there has been no democracy for half a century," said Kostunica, the leader of the Democratic Party of Serbia, in an opening address at the party's convention.

The draconic U.N. sanctions, clamped on Yugoslavia in May 1992, have brought the population and 500,000 refugees to the verge of destitution, depriving them of the most basic foodstuffs and medicaments as well as of fuel for heating homes, schools, hospitals and refugee camps. The attitude of the Democratic Party of Serbia to the world's power-wielders is "neither pro-Western, nor anti-Western," said its leader.

Party Vice-President Vladeta Jankovic said that the party was giving "unreserved support" to Serbs outside Serbia in their just struggle for securing space for independent life, and added that the party considered as justified the aspiration that the Serbs' ethnic space should be united in one state.

He said there was no danger of the party getting bogged down in primitive ultra-nationalism, because it had never viewed with understanding the inflicting of suffering on civilians, unnecessary destruction of towns and cities and demolition of religious and cultural landmarks. The party will work for bringing to justice the handful of war criminals who have donned the uniform of the Serb soldier, he said.

Kosovo

Serb Convoy of 28 Tanks Moves Toward Podujeve

AU2406191294 Tirana TVSH Television Network in Albanian 1800 GMT 24 Jun 94

[Text] At about 0500 this morning, a Serbian Army convoy made up of 28 tanks and seven transportation trucks, as well as other military equipment, moved from Prishtina in the direction of Podujeve on the Miloshev-Leban road. A characteristic of the Serb Army movements this time is that many Serb flags were seen placed above the tanks.

It is worthy of mention that in this region today, there were frequent flights by Serbian aircraft, and many military vehicles were observed on the streets of Prishtina, reports the Kosova Information Center.